

April 28, 1933

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The National Life Insurance Writer

FRIDAY, MAY 5, 1933

INS. LAB.

MAY

A Policy for every Man, Woman and Child and a real opportunity for every Agent

Buffalo Mutual Life, with 61 years of experience behind it, is today in its strongest financial position. Guided by a conservative, progressive management it offers agents a most attractive proposition. All promotions are made from the field.

SPECIAL POLICIES

To meet the demands of those who will buy life insurance now Buffalo Mutual Life offers:

Multiple Option Life
and Annuity
10 Year Family Income
20 Year Family Income
Special Convertible Term

Whole Life Special
20 Pay Life Special
10 Year Modified Whole Life
20 Year Modified Whole Life
Juvenile, Birth to Age 10

COMMISSIONS

Agents work under a contract with liberal first year and renewal commissions. Commissions are more readily earned because of the Special Policies that meet the needs of present insurance buyers.

RECEPTIVE MANAGEMENT

Because the management of Buffalo Mutual Life is interested in each man, each man who produces has a better opportunity for personal success. Our Superintendent of Agents, 38 years fighting for Buffalo Mutual Life and at it more intensively now than ever, is thoroughly receptive to new ideas, and both new men and old-timers tell us it is a pleasure to work with him.

RESULTS

Since the expansion program was instituted by Buffalo Mutual Life the first of January, 1933, more business has been done in every direction during the first four months of 1933 than during the preceding year. This means that our entire plan of action has met with a wholehearted and ready response.

OHIO AND NEW YORK

If you are interested in a permanent connection in the states of Ohio or New York, it will pay you to investigate now. Your letter will be treated confidentially, so give us all the facts we should have in your first letter.

JUVENILE POLICIES

Buffalo Mutual Life has three distinctive Juvenile Policies, from birth to age 10 with a "Payor Benefit" included. Buffalo Mutual Life was the first Company in New York State to offer Juvenile Insurance on a standard basis. Agents with these policies to offer have a very worthwhile and definite advantage.

PERSONAL HELP

Because Buffalo Mutual Life operates in a compact territory we are able to give representatives frequent personal help. Ohio and New York agents are visited monthly by Home Office men. This help is definite and provable by the commissions earned. The Company readily recognizes the worth of individual good men.

OTHER HELP

Buffalo Mutual Life believes in advertising and says so repeatedly in its Monthly Bulletin, "Trail Blazer." The ideas of the men in the field are invited. An advertising agency with 23 years' experience in advertising and merchandising is retained to help us render Help to our men through the printed word.

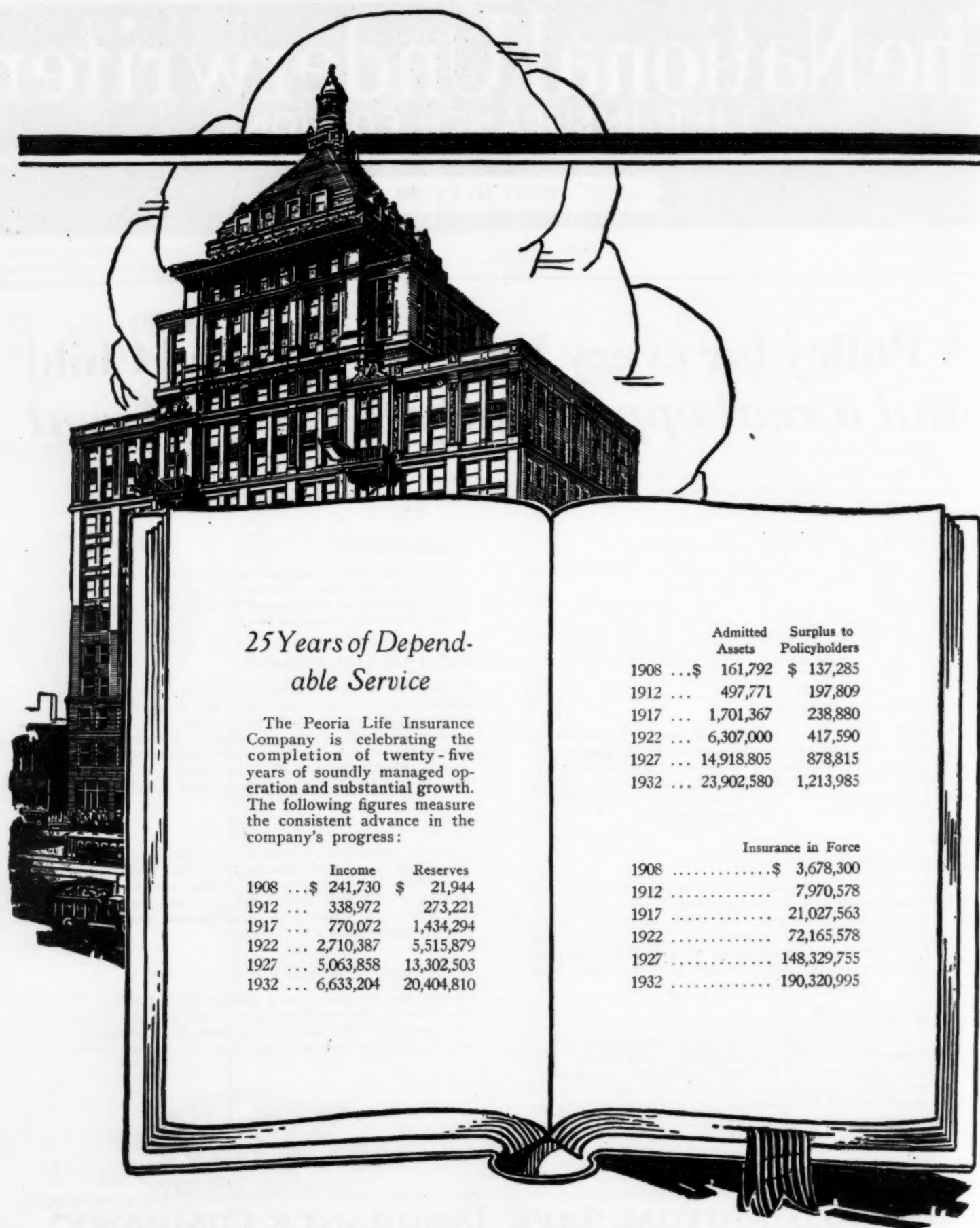


BUFFALO MUTUAL LIFE INSURANCE COMPANY

GEORGE W. CURTIS, President. E. PARKER WAGGONER, First Vice-Pres. and Supt. of Agents.

1872

BUFFALO, N. Y.



25 Years of Dependable Service

The Peoria Life Insurance Company is celebrating the completion of twenty-five years of soundly managed operation and substantial growth. The following figures measure the consistent advance in the company's progress:

	Income	Reserves
1908 ...	\$ 241,730	\$ 21,944
1912 ...	338,972	273,221
1917 ...	770,072	1,434,294
1922 ...	2,710,387	5,515,879
1927 ...	5,063,858	13,302,503
1932 ...	6,633,204	20,404,810

	Admitted Assets	Surplus to Policyholders
1908 ...	\$ 161,792	\$ 137,285
1912 ...	497,771	197,809
1917 ...	1,701,367	238,880
1922 ...	6,307,000	417,590
1927 ...	14,918,805	878,815
1932 ...	23,902,580	1,213,985

	Insurance in Force
1908	\$ 3,678,300
1912	7,970,578
1917	21,027,563
1922	72,165,578
1927	148,329,755
1932	190,320,995

Peoria Life Insurance Company

PEORIA, ILLINOIS

The National Underwriter

LIFE INSURANCE EDITION

Thirty-Seventh Year—No. 18

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, FRIDAY, MAY 5, 1933

\$3.00 Per Year, 15 Cents a Copy

Need Sound Banks and Money System

Life Insurance Vitaly Interested in Solution of National Problems Linton Says

SPEAKS IN WASHINGTON

Institution as National Asset Stressed in Insurance Round Table of U. S. Chamber of Commerce

Looking into the future it is clear that the complete fulfillment of the life insurance cash and loan value provision in times of severe depression depends upon at least two things, a sound banking system and a monetary policy which would not produce rapid rise in the commodity price level, President M. Albert Linton of the Provident Mutual stated in a fine talk on "The National Asset in Life Insurance" at the insurance round table conference of the United States Chamber of Commerce in Washington, May 4.

He said the experience through which the country has gone clearly shows that a stable banking system is essential to carrying out cash and loan value provisions of life contracts in periods of long depression, for if life insurance in this country had had such stable banking systems as exist in Canada and England, the cash and loan values, he said, almost certainly would be unrestricted today.

Business Vitaly Interested

Life insurance therefore, he feels, has a tremendous stake in making sure that out of the painful experience shall emerge a banking system ready to go through another period of prosperity and at the end be in condition to weather a storm. The institution should not again have to run the risk of shouldering heavy banking burdens and of being subject to panic runs as a consequence of large scale banking difficulties.

Mr. Linton believes that inflation which would produce rapid, substantial increase in the commodity price level is another danger against which life insurance cash and loan values must be protected. Under such conditions there is great danger that life insurance cash values would be withdrawn for speculative investment in common stocks, commodities and other tangible property. This could not be permitted on a large scale. He finds that the commissioners' restrictions on policies are eminently proper so long as this threat overhangs the situation.

In answer to the question raised in many quarters whether life companies should continue to include the cash and loan value provisions in their policies, he stated it would be well nigh inconceivable that a policyholder under normal

(CONTINUED ON PAGE 23)

Method for Rehabilitation

Need for Proper and Constructive Conservation of Interest of Policyholders If Any Companies Are Not Able to Weather Storm

By E. J. WOHLGEMUTH
President The National Underwriter

Should the moratorium on cash and loan values be taken off in June, as is anticipated, and should inflation and other relief plans of the Roosevelt administration not be as effective as is confidently hoped, some life companies will find themselves in the position of not being able to continue in business on their own account. The insurance commissioners in the states in which these companies are located are faced with the problem of what procedure to follow. They are honestly trying to find the best way to conserve the companies for their state and communities and they realize that every company that goes out of business without its obligations being discharged in full is a blow to the life insurance business.

Various Plans Can Be Followed

There are various ways in which a company which is seriously in trouble may be handled. There is the outright receivership with its heavy attendant expense and destruction of the good will of the plant. A second plan, almost as disastrous, is to prohibit the company from writing new business and appoint a conservator with the idea that possibly at a later date after the company's affairs are straightened out it may again become active. If a company has sufficient good assets, or almost enough, to cover the reserve it of course can be sold out to another company or new capital raised. But with the companies a large part of whose assets at the present time are of doubtful value and which under ordinary conditions would be in line for a receivership it would seem that the best and most economical plan is, instead of putting a state officer in charge, to have them administered for the benefit of their policyholders by other companies of recognized solvency and good management.

Case of Pittsburgh Life & Trust

The most successful instance of the method was the case some years ago of the Pittsburgh Life & Trust which, having been pretty well looted of its available cash, was administered for the good of the life insurance business by the Metropolitan Life. Although a lien was placed on the policies at the beginning so well did the Metropolitan do the work that the liens were never required. The same principle has already been applied in a number of companies in the west.

It is obvious that the insurance department should make the arrangement and exercise close supervision to see that the terms of the contract are carried out. This plan of course is different from a reinsurance because the company assuming the contract does not guarantee the assets and merely agrees for a certain stated sum per thousand out of the premiums to handle the business. It does not sell or transfer assets without the approval of the insurance department

and it of course makes every effort to conserve the business and handle the investments to the best possible advantage to the policyholders.

In addition to the estimated cost of handling the business, after the doubtful assets are liquidated and the true situation determined, there is the division of the profits, if any, between the assuming company and the stockholders of the company taken over, say on the basis of 40 percent for the first and 60 percent for the latter. This is a very favorable arrangement for the assuming company because not only does it save the agency organization and good will but it has a wider spread for its own overhead and the advantages which come from having a larger list of customers who in turn create more or less business. If the arrangement is made with a comparatively small but sound and well managed company there is no increase in expense for executive management and comparatively little for clerical help, rent, etc.

No matter how well a state insurance department is organized it cannot conduct a life insurance business as well or as inexpensively as can a going concern. There are not a few cases of companies of fair size having been taken over with the expense of merely a few additional clerks. The plan has all the advantages in conservation, of an official receivership or of a "conservator," with none of the disadvantages. It goes without saying that no commissions or "arrangements" of any kind should be permitted in a transaction of this kind; and only a company whose management is above reproach should be considered as a conservator.

Values Are More Stable

Whereas only a couple of weeks ago it looked as though quite a number of companies would have to be retired with the consequent damage to the companies involved and the life business as a whole, the rapid stabilization and increase of values of doubtful securities and investments and the administration plans for financing slow investments so as to give the companies ready cash to meet cash and loan demands when the moratorium is lifted cuts down the number of companies that may have to retire. If the insurance departments would adopt the plan suggested there would be no need of a single company going through the process of a receivership or "conservatorship." The best that could possibly be done for the policyholders would have been achieved and much more than through any assumption of the company's management by the state departments which would involve the loss of the invaluable asset of good will and agency plants.

At the present time there is considerable hue and cry, especially among some

(CONTINUED ON PAGE 11)

Plan for Revising Setup Is Amended

Organization Structure Committee of National Life Underwriters Decides on Changes

MID-YEAR MEETING HELD

Open Discussion of Moratorium Avoided by Trustees and Executive Committee in Chicago Sessions

Important changes in the proposed revision of the constitution and by-laws of the National Association of Life Underwriters were decided upon at a meeting of the organization structure committee of the association at a meeting held in conjunction with the mid-year session of the executive committee and board of trustees of the National association in Chicago. O. Sam Cummings, Texas manager of the Kansas City Life, who was elected a trustee at the Chicago meeting to succeed S. T. Whatley recently named as vice-president of the Aetna Life, is chairman of the organization structure committee.

Under the preliminary plan, a draft of which was sent out about a year ago, a national council, more or less corresponding to the present executive committee, was projected to consist of the trustees, past presidents, state or regional association presidents and the presidents of all associations having 200 or more members. At Chicago, the plan was changed to have the council include the presidents of all local associations. The requirement of 200 had been criticised.

Executive Committee

Under the plan, as prepared a year ago, an executive committee would be created consisting of seven of the 17 members of the proposed new board of trustees. At Chicago, such an executive committee was stricken out of the set up.

Other changes were minor. Mr. Cummings said that an amended draft of the proposed reorganization would be prepared and sent out about July 1. Revisions could be suggested subsequently. The plan would then be voted on at the annual meeting of the National association in September. However, if adopted, it would not go into effect until the time of the 1934 convention. Mr. Cummings said that deferring the effective date would remove any political tinge from the plan.

The life insurance moratorium was not discussed by the trustees or the executive committee in open session. However, at a breakfast session of the trustees, there was informal discussion of the question. The leaders desired to avoid open discussion of the topic, feeling that this is a problem to be handled by the companies and the insurance commissioners. A few local associations

(CONTINUED ON LAST PAGE)

Former Superintendents on New York's Advisory Board

LEHMAN SIGNS NEW MEASURE

New Body Gives Van Schaick Benefit
of Counsel Without Curbing His
Powers or Initiative

NEW YORK, May 4.—Rejecting the legislative measure which would have transferred all the powers of the insurance superintendent to a state board of insurance, Governor Lehman approved the alternative bill providing for a board with advisory powers only, at the same time announcing the board's personnel. The two bills, both introduced by Senate Leader Dunnigan, were passed in the closing hours of the legislature to permit the governor to approve whichever one he should decide on.

Superintendent G. S. Van Schaick is chairman ex-officio. Other members are William H. Hotchkiss, Jesse S. Phillips, Francis R. Stoddard and James A. Beha, all former insurance superintendents of New York; Matthew Woll, vice-president American Federation of Labor and Resident Union Labor Life, and Aaron Rabinowitz of the state housing board.

Mr. Hotchkiss has specialized in insurance law since retiring from the department a number of years ago and has built up an extensive practice.

Phillips Has Active Career

Mr. Phillips is chairman of the board of the Great American Indemnity. Before becoming insurance superintendent he was a banker and lawyer in Hornell, N. Y., and served in the state legislature 11 years. Later he served two successive terms of three years each as insurance superintendent, resigning at the close of his second term to become manager of the then recently reorganized National Bureau of Casualty & Surety Underwriters. From there he went to the newly organized Great American Indemnity, acting as its president until his advancement to board chairman.

Mr. Stoddard is arbitrator for the New York city committee of the Fidelity & Surety Acquisition Cost Conference. Several years ago he held a number of conferences with Chicago local managers and general agents in an effort to straighten out the fidelity and surety situation in that territory. Mr. Beha is general manager of the National Bureau of Casualty & Surety Underwriters.

Power to Recommend

The new board has the power "by an affirmative vote of four of its members to consider and make recommendations to the superintendent of insurance upon any matter the superintendent may submit to the board." The board is similar to the banking board formed last year to advise the banking superintendent.

The creation of the new board gives the superintendent the benefit of advice and counsel without hampering his initiative or curbing his powers. At the same time his edicts should gain additional weight through the realization, by the public and by insurance men, that actions of the department are not merely the decisions of one man, but presumably have the endorsement of at least three other members of the board.

Theme of Claim Meeting

The theme for the annual meeting of the International Claim Association in Atlantic City, Sept. 11-13 is "Some of the Causes of Troublesome Claims," according to announcement of President Thomas F. Hickey, Metropolitan Life. A program of international interest to all life and accident and health claim men is being arranged. John P. Bennett, assistant secretary of the United States Casualty, is program chairman.

Some Business Effects of Well Timed Inflation

By JOHN F. WOHLGEMUTH,
Secretary, The National Underwriter

Life insurance has everything to gain and not a thing to lose by gold inflation. The statement might almost be reversed for any other kind. Paper money inflation wiped out insurance companies in Germany. Free silver might not be as bad, but it has no advantages for life insurance. One who saw a promise of gold inflation in the inaugural address may reasonably cling to the conviction that no other kind was or is intended. Optional powers granted the President need not be disturbing so long as they are optional. Speed is the main thing to be prayed for by life men. One-fourth of the banks remain closed, waiting for inflation, and while they are closed life insurance faces the

demands of depositors who turn to their life insurance for cash. Gold inflation will be instantaneous, with no after problem but readjustment to new levels. Until gold inflation is proclaimed and the ratio known, speculation will run wild and life insurance will have to face the demands of those who want to make speculative profits with their loan values.

Effect of Gold Inflation

If gold inflation comes quickly the banks will open, the speculative fever will die out as prices smooth out on their new levels, the moratorium will be lifted and the resentment against it will die out in the recollection that life insurance actually came through in a way that no financial institution ever met a crisis before. As trade revives the insurance sacrificed during the depression will be replaced as soon as the policyholders are again able to pay premiums. New classes of buyers will arise from the restored prosperity.

All these benefits will be lessened by delay, but not entirely nullified. Gold inflation in adequate ratio will cure the depression. Delay will deepen the scars, but will not prevent a cure. All business

will be in a fever until the amount of inflation is known. All that life insurance has to fear is black memories of the moratorium, and that danger is small unless the moratorium is prolonged.

One forming his views by weighing news despatches instead of trying to pick out the probability of rumors might reach the conclusion that the plan for gold inflation was disclosed to the British ambassador on his visit to Mr. Roosevelt in Georgia before the inauguration; that it led to the ambassador's hasty trip to London, where it was eagerly accepted by the British authorities because it amounts to an abatement of the war debts, which will be payable in the new dollars; that it was agreed to work out the details of a broad plan including peace moves and trade agreements during Mr. McDonald's visit to this country, and try to win the world to the broad plans at the economic conference in London, where inflation would be announced.

Business Must Have Certainty

In the definite announcement of inflation it was at least unofficially admitted that the government's hand was forced by internal conditions. One of these conditions might be the foreclosure riots, which will be cured by inflation and hardly by anything else. The inability to reopen the remaining one-fourth of the closed banks and release the frozen billions of deposits, without actual inflation, would be another. The mere promise of inflation raises prices and gives business a modest start. Business, however, must have certainty before it can go forward on more than a day-to-day basis. Therefore it is not a wild guess to suppose that the ratio of gold inflation may be proclaimed soon after MacDonald and Herriot reach home.

Misconceptions Are Appalling

The misconceptions regarding inflation, its operation and effects, would be appalling if they were material. Financial writers who should know something about it cite the spending of paper profits as the source of the revival.

Except as a bridge to the new levels, it would be beneficial if speculation and paper profits could be stopped. Inflation has one sole purpose that is legitimate and effective. That is the revival of trade.

Revival of trade will come, not by unjustly enriching speculators, but by reassuring traders and producers. No manufacturer dared produce, and no trader dared buy, beyond daily needs, while prices were steadily falling. Prices were steadily falling from the distress selling of debtors forced to raise money or being sold out. The only cure was successive bankruptcy or inflation. The preceding Congress made a step toward successive bankruptcy with the partial bankruptcy law. The new administration chose inflation. Apparently it chose gold inflation, with its certainty and instant relief of the fear hanging over business.

(CONTINUED ON PAGE 11)

Preliminary Program for Commissioners Announced

M. L. BROWN, KNOTT TO SPEAK

Record Attendance Indicated for Annual Meeting to Be Held in Chicago, June 1-3

Discussions at the annual meeting of the National Convention of Insurance Commissioners at the Edgewater Beach Hotel, Chicago, June 1-3 will center on the findings and recommendations of the special committee on the life insurance moratorium situation appointed at the recent special meeting in Chicago. Secretary Jess G. Read announces.

The first morning will be given over to welcoming addresses, the president's annual address and the secretary's report, with a visit to the Century of Progress exposition in the afternoon.

While the remainder of the program is not definitely completed, papers will be given by Commissioner Merton L. Brown of Massachusetts on "Insurance Supervision" and Commissioner W. V. Knott of Florida on "Investments of Insurance Companies." Other commissioners will be assigned to discuss these papers.

Secretary Read stresses the necessity for making hotel reservations at once. Reports received so far indicate one of the largest crowds ever attending a meeting of commissioners.

Greer Would Rewrite All Alabama's Insurance Laws

MONTGOMERY, ALA., May 4.—Alabama insurance laws should be entirely rewritten, Superintendent Greer said at a Kiwanis Club meeting here this week. He declared the present statutes are "outmoded and incomplete" and added that Alabama is one of the few states which has no laws regulating investments of domestic companies.

"The investments of Alabama insurance companies rest entirely with the wisdom of the company officials," said Mr. Greer. "The state has no check on such investments, and although most insurance officials have invested wisely to protect policyholders, I know of one case in which I believe the failure of a domestic company would have been averted if the superintendent of insurance had had the authority to check investments."

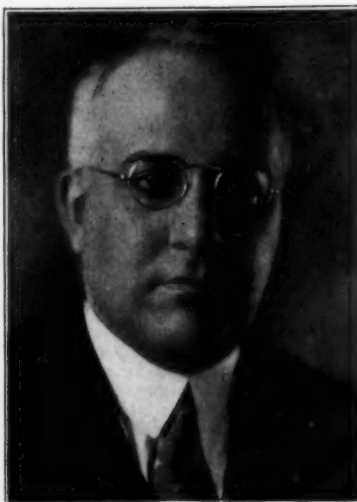
Mr. Greer said rewriting the insurance code would take several years and would involve much legal research work.

Legislatures Are in Session in Eighteen Commonwealths

NEW YORK, May 4.—Eighteen of the 25 states that held legislative sessions this year are still functioning, the more important of the number being California, Connecticut, Illinois, Massachusetts, Michigan, New Jersey, Ohio, Pennsylvania, Texas and Wisconsin. It is expected the Pennsylvania legislature will adjourn this present week. But one of the numerous measures offered at the recent session of the New York legislature became a law, that providing for a reclassification of compensation disability injuries. In two other states, Idaho and Nevada, tax measures were adopted, that in the former state increasing the premium tax on all forms of companies from 2 to 3 percent, while the Nevada statute imposes a 1½ percent tax on gross premiums. Hitherto there was no tax law in the latter state.

Olaf Johnson has been appointed district agent of the Northwestern Mutual Life at Superior, Wis.

Gets Another Title



O. SAM CUMMINGS

O. Sam Cummings, Texas manager for the Kansas City Life, now requires additional space in "Who's Who." At the mid-year meeting of the executive committee of the National Association of Life Underwriters at Chicago, Mr. Cummings was elected a trustee to succeed S. T. Whatley. Mr. Cummings is also president of the Texas State Association of Life Underwriters, president of the managers' association of Dallas, director of the American College of Life Underwriters and a member of the executive committee of the National association, representing the Dallas association.

Plan of Hospital Cover Explained

Official of Rosenwald Fund Has Informal Discussion with Insurance Men

PURPOSES ARE OUTLINED

American Hospital Association Is Opposed to Any Third Party Assuming the Risk

A group of Chicago insurance men were guests of C. R. Rorem of the Julius Rosenwald Foundation at a luncheon, where informal discussion was held of the insurance features of the recommendations of the committee on the cost of medical care. Mr. Rorem was a consultant in the preparation of that report. He is also connected with the American Hospital Association.

Those at the luncheon included L. D. Cavanaugh, executive vice-president and actuary, and T. Loyal Anderson, head of the accident and health claims department of the Federal Life; Harold R. Gordon, executive secretary Health & Accident Underwriters Conference; C. O. Pauley, secretary Great Northern Life; E. A. Hauschild, assistant secretary Continental Casualty; Carl Kirk, Zurich, and Paul W. Stadel, Lumbermen's Mutual Casualty. The conversations were entirely informal, Mr. Rorem desiring to get the viewpoint of insurance men and some of their criticisms.

Official Endorsement

The American Hospital Association has officially endorsed the idea of the sale of contracts that would pay the hospital expenses for the individual. The hospitals apparently are ready to go ahead. The contract would not provide for payment of physicians' or surgeons' or nurses' fees. The hospital association is opposed to any third party organization, such as an insurance company, assuming the risk. However, the question comes up of how the contracts are to be sold. Possibly the insurance selling forces might be utilized.

Other questions are whether the scheme would be considered insurance and if so whether it would come under the supervision of the insurance department; whether unscrupulous promoters would not attempt to exploit the principle and throw the entire system into disrepute.

The hospital association feels that the contract can be sold to members of employed groups. There is the question of whether the hospital service should be provided for the head of the family only or for the entire family. At the first, probably only the head of the family could be covered. The hospital association seems to feel that as the plan is developed, the cost will decrease. Some of the insurance people take issue with this theory, however, pointing out that under many forms of insurance, as soon as the public gets educated to the benefits, the cost goes up. The hospital people say that as hospital facilities are more fully utilized the per capita cost will be lowered.

Freedom Is Preserved

Plans which the council of the American Hospital Association has approved cover payment for hospital care only and do not include payment for the professional services of physicians and surgeons. The usual relation between physician and patient is not altered. Subscribers to the plan would be hospitalized only when attended by a physician.

(CONTINUED ON PAGE 21)

Missouri Commissioner and Governor Row on Moratorium

TO REPLACE THOMPSON SOON

Issuance of Emergency Regulations Despite Defeat of Bill in Legislature Causes Break

Although the Missouri legislature adjourned without enacting a moratorium measure, Superintendent Thompson of that state issued regulations following those recommended by the National Convention of Insurance Commissioners under authority of the Missouri anti-discrimination law, and this action precipitated a break between Mr. Thompson and Governor Park. Up to the time that these orders were issued, most of the Missouri companies had, in fact been observing the rules agreed to by the commissioners at the Chicago meeting. However, many of the out of state companies had continued to make loans and permit cash withdrawals in Missouri.

When he learned of the action of the superintendent Governor Park summoned Mr. Thompson and after the close of the conference said, it was "regrettable that the moratorium was delayed until immediately after the adjournment of the legislature."

Fell With Mortgage Bill

In the closing days of the assembly the fate of the life insurance bill was tied in with a measure providing for a moratorium on real estate foreclosures and when house judiciary committee killed the mortgage bill the last hope for the insurance bill ended.

The opposition of Governor Park is based upon the contention that the rules do not give the policyholders the same protection that is accorded the company.

Twenty Years



GEORGE C. CAPEN

George C. Capen, assistant superintendent of agents of the Connecticut General Life, rounded out 20 years of service with the company May 1. He is a native of Bloomfield, Conn., and graduated at Trinity college. He started with the Connecticut General in 1913 as traveling auditor and agency assistant.

It is presumed that he desires some sort of a moratorium on life insurance premiums while the restrictions apply to loans and cash surrenders.

Some observers feel that Governor Park may seize upon this episode to make his contemplated change in the

(CONTINUED ON PAGE 21)

National Leaders Discuss Stability

Six Headliners on Chicago Association Program Find Institution Is Sound

GATHERING OF TALENT

Thompson, Riehle, Hull, Fischer, Myrick and Cummings in Unusual Symposium of Views

Life insurance is more firmly entrenched in this country and has greater integrity than ever before in its history, it was the consensus of six nationally known life insurance men who spoke at the monthly meeting of the Chicago Association of Life Underwriters. The speakers were President C. C. Thompson of the National Association of Life Underwriters, Seattle; C. O. Fischer, general agent Massachusetts Mutual, St. Louis; O. Sam Cummings, general agent Kansas City Life, Dallas; T. M. Riehle, associate manager Equitable of New York, New York City; Julian S. Myrick, manager Mutual of New York, New York City, and R. B. Hull, managing director National association. All the speakers discussed the general theme of "The Stability of Life Insurance."

Riehle Pictures Integrity

Mr. Riehle said life insurance is a maximum cushion of riskless investment. It is a first mortgage preferred lien on America. He held that it is much more stable than 30 years ago and will be more so in future. No legal reserve life companies can fail except with gross mismanagement, he stated. The philosophy and economics of the institution are in tune. Life insurance never has tried to beat the natural rate of growth of the nation of 3 to 3½ percent compound interest a year. To meet its obligations it never had to take any chances. It need not indulge in magic, in careless investment practices. He touched on the subject of inflation. "Gold standard or no gold standard," he said, "my bet is on the American dollar and I don't intend to sell it short."

Investment Policy Sound

He said life insurance has proved itself durable and permanent. It has adhered religiously to simple and elementary truths. It has every attribute of a good investment. It has clung to the purchase of foundational securities and to the one fundamental safeguard in investment principles on which all experts agree, diversification. It has the additional advantages of supervised safety and actuarial competitive restraint.

President Thompson said 2,211,000 young people attained age 21 in 1930 and over 7,000,000 have attained their majority since 1929. With this large group of young people who have had little experience with the misfortunes of the past and are optimistic, he said, time alone will cure the depression. During these trying times, the life insurance men who have been working hard since 1929 have been doing better than persons in any other businesses. They have accepted conditions and have been taking advantage of the striking advantages of life insurance which, Mr. Thompson said, appear much more impressive now than in the old days.

Mr. Myrick said life insurance has had 90 years of accomplishment in this country. Companies which followed sound actuarial and investment practices backed by proper management

(CONTINUED ON PAGE 22)

TEMPTATION

One of our California representatives sends word that between April, 1928, and April of this year he had had not one death claim among about 450 policies delivered in those five years. He asked whether or not he should call a meeting of his policyholders and demand that they die according to the mortality tables. After consulting our learned Actuaries, we replied that, on the one hand, his situation might be regarded as unusual, and that, on several other hands, it might not be regarded as unusual, there being many occult factors in the problem. But we were advised to say that evidently this Agent had put both judgement and conscience into his work—as most Agents do.

Yes, prospects must now be zealously searched for, and temptation sometimes to scrape the bottom of the pan is but natural. Nevertheless, mortality both in lives and lapses, depends on the quality of the risks sent by the Field, loose sales and loose acceptances now must inevitably be expensively paid for, later on, both by Company and by Agent.

THE PENN MUTUAL LIFE INSURANCE COMPANY

WM. A. LAW, President

Independence Square

PHILADELPHIA

"Living Insurance"

PERHAPS life insurance ought to be called "living insurance." It assures a man an independent living for his later years, or a living for his family if he dies.

In recent years the financial benefits of insurance to the living policyholder have gained increasing recognition. More people are buying life insurance primarily as a sound investment. They are attracted by the staunch security and stability of the well-managed life insurance companies, particularly under the acid tests of the past few years.

In 1932 the New York Life paid over \$182,000,000 to living policyholders and \$72,500,000 to the beneficiaries of those who died.

The New York Life agent has a wide choice of policies from which to make recommendations for "living insurance" to fit the particular needs of his clients, including its Annuity Endowment which continues to gain in popularity.



HOME OFFICE BUILDING

NEW YORK LIFE INSURANCE COMPANY

51 MADISON AVENUE
NEW YORK, N. Y.

Fletcher Bill Attacked in Senate, Not Likely to Pass

MUST WATCH CONTRIBUTIONS

Companies Say That Requirement,
Urged by Senator Couzens Is
Impossible to Meet

WASHINGTON, May 4.—Efforts on the part of Senator Fletcher of Florida to secure action by the Senate on his bill to authorize the Reconstruction Finance Corporation to buy insurance company capital stock were rebuffed Monday when members of the Senate attacked the measure as of little or no value to policyholders and refused to grant consent for its consideration.

Indications are that the bill will have a difficult passage through Congress, with prospects that it will never be given unless a number of changes are made.

The larger life insurance companies are out of sympathy with the bill, and there has been written into the measure, it is understood upon the insistence of Senator Couzens of Michigan, a requirement that the companies match contributions of the Reconstruction Finance Corporation dollar for dollar, as in the case of banks.

The insurance companies contend that with the present financial situation, this is impossible.

Van Schaick at Capital

A visit here last week by Superintendent G. S. Van Schaick of the New York department, accompanied by Deputy S. R. Feller, is believed to be in connection with the Senate Bill 1094.

No confirmation could be gained for the report that Superintendent Van Schaick appeared in favor of the bill but it is understood that it is not favored by governing insurance associations. The bill has been reported out with amendments by the committee on banking and currency.

This measure would give the R. F. C. whenever, in the opinion of the Secretary of the Treasury, any insurance company is in need of funds for capital purposes, authority to subscribe for such stock or to make loans secured by same. In effect, it considerably broadens the powers of the R. F. C. in connection with insurance interests. Section 3, however, is regarded as practically emasculating the bill as concerns most insurance companies. It provides that no subscription shall be made by the R. F. C. "if at the time of such subscription purchase or acceptance any officer, director or employee of the applicant is receiving compensation at a rate in excess of \$17,500 per annum" and the term "compensation" is defined to include any salary, fee, bonus, commission or other payment, direct or indirect, in money or otherwise for personal services.

Mississippi Insurance Fund Lost in a Reopened Bank

JACKSON, MISS., May 3.—Through no fault of Commissioner Riley, over \$169,000 funds of the Mississippi insurance department are tied up in the Merchants Bank & Trust Company of Jackson, now in process of liquidation, with small prospect of early payment. The bank was a designated depository of the state. It closed during the national banking holiday, and failed to reopen until several days after the banking holiday ended. It then reopened on a restricted basis and operated until April 8, when it went into receivership. During the time it was reopened much of the present balance was deposited by Mr. Riley, as a large part of the department's annual income was collected during that time in the form of premium taxes on companies.

Fiftieth Year



FREDERICK H. ECKER

NEW YORK CITY, May 4.—F. H. Ecker will on Saturday have completed a half century of service for the Metropolitan Life, during which he rose from mail clerk to president, as the company grew from modest size to be the largest financial institution in the world.

The only approach to a formal observance of the anniversary will come Saturday night as a part of the program of the annual convention of Metropolitan district managers this week. At a concluding banquet Leroy A. Lincoln, vice-president and general counsel, will review Mr. Ecker's Metropolitan career, and the delegates and guests will be presented with commemorative medals.

Started at Early Age

Mr. Ecker joined the Metropolitan in 1883 at the age of 15. His early industry attracted the attention of the manager of the company's real estate section, and his first promotion was to be assistant to the manager. At 25, he was manager of the bond and mortgage division; in 1906 he was made controller, and a year later, when the office of treasurer was created, he was the first incumbent, and took charge of all of the company's investments. He was elected a director in 1909, and when, in 1919, the late Haley Fiske was elected president after the death of J. R. Hegeman, Mr. Ecker was named to succeed Mr. Fiske in the vice-presidency. Mr. Fiske died in 1929, and Mr. Ecker was elected president March 26 of that year.

Loan Restrictions Debated by Philadelphia Actuaries

At the meeting of the Philadelphia Actuaries Club at the home office of the Provident Mutual, there was an animated discussion of the present restrictions in the payment of cash and loan values, their effect upon the sale of life insurance, the loss of confidence of the public if the restrictions are indefinitely prolonged, and the problems which will arise when the restrictions are lifted.

E. W. Marshal, vice-president and actuary of the provident Mutual led a discussion upon the present trend in dividend factors. This subject also led to a discussion of the long term interest rates which companies could expect to earn and whether life insurance companies now operating on the 3½ percent basis should consider the advisability of changing to a 3 percent basis.

There was also a brief discussion of various means of financing the insured today, by the use of premium extensions, automatic premium loans and any other methods which the companies were using.

Dividends, Expense Little Affected by Salary Scale

AGENTS ARE "PUT ON SPOT"

Fixing Maximum of \$20,000 Would Change Those Items Possibly 1/2 of 1 Percent—Might Lose Valuable Men

NEW YORK, May 4.—Recent press attacks on the salaries paid to life company executives have caused many policyholders to feel that their dividends or their insurance expense are perceptibly affected by the size of such salaries.

Agents who find themselves "on the spot" as a result of this sort of agitation may be reassured to know that as far as the companies paying the highest salaries are concerned, the reduction of all such stipends to a \$20,000 a year maximum would pare down the expense of management about one-half of 1 percent.

As to the effect on dividends, according to the latest published report of the New York department, the result of limiting such salaries to \$20,000 would theoretically have permitted dividends to be increased last year by approximately 0.5 percent to 0.6 percent. For example, the tenth year dividend on a \$1,000 policy issued at age 35 would have been about 6 cents more in 1931 if these same men had received no more than \$20,000 each. If the average policy is assumed to be \$3,000—which is liberal—it would mean that the average policyholder in these companies in 1931 paid about 18 cents more than he would have if the executives of his company had worked for a maximum of \$20,000 rather than the salaries they actually drew.

However, this saving, small as it would be, would undoubtedly be more

than offset in actual practice by the loss of the services of these men, for if they were limited to a \$20,000 maximum many of them would seek other and more profitable fields.

As in other lines of business, the law of supply and demand governs what a life company executive receives. Important executives of life companies develop experience and capacities which make them greatly sought after in other businesses. Their knowledge of their own business makes them even more valuable to the company with which they are associated. If the loss of their services would cause a greater financial loss to the company than the saving that would be effected by getting lower-salaried men in their places, life companies are certainly justified in paying such officials somewhat more than they would get in another position. On the other hand, payment of too great an excess over the "market value" of any executive's services would subject a company's directors to justifiable criticism.

Provident Mutual's Dividends

The Provident Mutual announces that it will continue the same dividend scale throughout the entire year. It had made the announcement that the scale would apply up to July 1 and tentatively for the rest of the year. Now comes news of the definite continuation of the scale. President Linton announces that the company's cash position is 80 percent better than the first of the year. Its investments in U. S. government bonds remain the same.

Atlantic Life Anniversary

The Atlantic Life of Richmond, Va., is celebrating the thirty-third anniversary of its organization with a special sales drive this month, it is announced by President A. O. Swink. President Swink is counting on his sales forces to make an extra-good showing in the May campaign.

Need Emergency Restrictions As to Life Insurance Funds

While some policyholders are claiming that life companies have not stood by their contracts in refusing to give as in normal times full cash loans and surrenders, it must not be overlooked that the state authorities have overridden policy provisions by extension of grace periods. In some states an additional 30 days have been given which certainly is an impairment of the contracts. No policyholder, so far as we have heard, has objected to this divergence from the strict letter of the contract. Yet during this additional grace period death claims may arise and premium income is interrupted. There have been moratoria on mortgage interests by emergency legislation which again delays payment of interest and principal.

President Hardin's Comment

President Hardin of the Mutual Benefit, in speaking about the time when the moratorium will be lifted, declares that so long as the companies are confronted with deferred premium income due to the enforced extension of the grace period, with delayed income due in part at least to the moratorium on interest payments, and with a depressed security market, it cannot be assumed with the demand for cash policy loans and surrenders continued in the volume presented at the time the restrictions were imposed that emergency conditions will be completely abated. He says that so long as the companies are called upon to meet extraordinary demands arising from the failure of the banks to perform one of their most important functions, and to the extent that fear and a desire to hoard may not have subsided, the emergency as to life insurance funds cannot be regarded as over.

He says: "While the banking situation has partly cleared, money is by no means being loaned by banks as in normal times. It seems certain that in the interest of policyholders, beneficiaries and the public generally some form of restriction with respect to cash loans and surrenders is thus far wisely continued. Neither the original imposition of the restrictions nor the continuance carries any suggestion of insolvency. Beneficiaries are continuing to receive the full amount due them on death of the assured. Endowment policies are being paid in full as they mature. Annuitants are receiving on the due dates the amount due them. All the primary functions of life insurance are being fully performed and life insurance as an institution continues to merit the confidence of the public. Loans and withdrawals, notwithstanding the restrictions, are available to relieve the pressing needs of policyholders."

"We desire to see the present restrictions removed as rapidly as conditions will permit. We think that in times like the present the institution of life insurance is more important than the interest of individual companies."

Result of Hay Fever Injection

Held that a death resulting from a simple hay fever injection may be said, in the present advanced state of medical science, to be "unforeseen, unexpected, unusual," and to be caused "solely through external, violent, and accidental means," within the meaning of an accident policy. *Jensma vs. Sun Life of Canada et al.* U. S. C. C. A., 9th Cir. Idaho. Page 4,088.

FIRST IN THE UNITED STATES

The Lincoln National Life in May of this year begins the first national Outdoor Advertising Campaign ever used by any United States Life Insurance Company - - - - Lincoln Life field men now have the powerful publicity, backing and company recognition secured by this dominant medium. Poster No. 1, now showing, is illustrated below. It is concentrated in metropolitan centers.

A GREAT NAME AND

A GREAT INSTITUTION



SAN ANTONIO
GENERAL AGENT

A. D.
DOUGLAS
MAJESTIC BUILDING

The LINCOLN
NATIONAL
LIFE INSURANCE
COMPANY
FORT WAYNE, INDIANA

No. 1—
SAINT GAUDENS' STATUE
LINCOLN PARK, CHICAGO
For beautiful picture of it write to
Lincoln National Life Foundation
Fort Wayne, Indiana

EFFECTIVE EQUIPMENT

1. Sound, liquid financial condition based on years of conservative financial policy.
2. Complete line of policy contracts.
 - a. Participating.
 - b. Non-participating.
 - c. Guaranteed Premium Reduction with dividends after tenth year.
3. Organized sales presentation on many policies.
4. Particularly strong equipment on life insurance as an investment.
5. Excellent correspondence course.
6. Schools of instruction in the field conducted by Home Office men.
7. Low ratio of rejection.
8. Non-medical.
9. Substandard service.
10. Low net cost.
11. Age limits—birth to 65.
12. Mail advertising — "To Pave the Way."

Effective equipment counts for a lot in these days of keen competition for sales.

Consider the above outstanding advantages to which—in keeping with NwNL's reputation as a sound, progressive company that holds the needs and interests of its fieldmen paramount—every NwNL fieldman can lay claim as a part of his "effective equipment." They do help make sales.

NORTHWESTERN NATIONAL LIFE INSURANCE COMPANY

G. J. ARNOLD, President

STRONG ~ Minneapolis, Minn. ~ LIBERAL

New Business in Illinois Written by All Companies

STATE LEADERS ARE SHOWN

Total Insurance of All Kinds Written Last Year Amounted to
\$1,272,444,823

The total ordinary new insurance written in Illinois by Illinois legal reserve companies last year amounted to \$89,953,002, according to the state insurance department's preliminary report. They have in force \$546,659,055. The Illinois companies wrote in new group business \$15,236,170 and industrial \$24,928,250. The Illinois leaders in new business were the Abraham Lincoln, \$2,415,980; American Bankers, \$1,912,844 ordinary and \$11,405,449 industrial; Central Life of Chicago, \$9,142,972; Continental Life of Chicago, \$12,185,156 and \$15,059,170 group; Country Life, \$12,066,750; Federal Life, \$3,952,192; Franklin Life, \$4,031,703; Illinois Bankers, \$7,838,926; Globe Life of Chicago, \$4,302,800 ordinary and \$1,978,650 industrial; Mutual Trust Life, \$3,989,512; National Life, U. S. A., \$4,783,887; North American Life, \$2,117,275; Peoria Life, \$10,077,436; State Farm Life of Illinois, \$2,413,750; Supreme Liberty Life, industrial, \$3,375,765; United of Chicago, industrial, \$3,883,017; Washington National, industrial, \$4,285,369.

Companies from Other States

The outside United States companies wrote in new business in Illinois \$661,018,293 in ordinary; \$156,231,146 in group and \$296,037,755 in industrial. The state leaders were Aetna Life, \$14,206,339, ordinary, and \$42,553,717 group; American National of Galveston, \$8,012,415 industrial; Bankers Life of Iowa, \$7,513,527; Connecticut General \$5,905,518 ordinary and \$4,434,850 group; Connecticut Mutual, \$8,076,544; Equitable Life of New York, \$45,374,494 ordinary, and \$12,996,178 group; Equitable of Iowa, \$6,778,847; Home Life of New York, \$2,046,035; Indianapolis Life, \$2,157,319; John Hancock, \$17,195,166 ordinary, \$10,009,500 group and \$29,139,081 industrial; Kansas City Life, \$2,866,290; Lincoln National, \$10,794,327 ordinary and \$2,942,750 group; Massachusetts Mutual, \$18,039,856; Metropolitan, \$129,943,257 ordinary, \$42,252,020 group and \$117,944,338 industrial; Minnesota Mutual, \$2,650,188; Mutual Benefit, \$10,279,331; Mutual Life of Baltimore, \$1,230,500 ordinary and \$11,640,403 industrial; Mutual Life of New York, \$32,839,720; National Life & Accident, \$4,506,401 industrial; National Life of Vermont, \$2,413,125;

Other Figures Given

Also the New England Mutual, \$13,419,892; New York Life, \$55,615,678; Northwestern Mutual, \$29,005,875; Northwestern National, \$3,691,970; Pacific Mutual, \$3,596,415; Penn Mutual, \$16,684,044; Phoenix Mutual, \$6,211,182; Provident Mutual, \$6,640,409; Prudential ordinary, \$97,947,062, group \$13,892,433, industrial \$100,808,434; State Mutual \$4,550,221; Travelers, ordinary, \$23,871,152, group \$20,993,021; Union Central, \$14,460,419; Union Labor Life, \$3,680,049; group, Western & Southern, ordinary, \$6,924,705, industrial \$22,044,820; Yeomen Mutual, \$6,892,102; Sun Life of Canada, ordinary, \$11,039,815, group \$4,936,712; Canada Life, ordinary, \$675,859, group \$9,847,300.

The Bankers Mutual Life of Freeport, Ill., led the stipulated premium companies with \$3,330,500 business in Illinois. The Underwriters Mutual of Chicago was next with \$2,291,866.

O. F. Field of Woodstock, Ill., has been appointed examiner in the Illinois insurance department. He is a graduate of Notre Dame and has been practicing law in Woodstock.

Dunham Speaks for Greater Curb on Forming Companies

MANAGEMENT FACTOR VITAL

Connecticut Commissioner Believes Many Difficulties Would Have Been Avoided by Restrictions

More stringent regulations and qualifications should be placed upon the privilege of establishing new insurance companies, and companies in the business should make a more careful and searching examination of agencies, Commissioner Dunham of Connecticut stated in an address before the Bridgeport (Conn.) Life Underwriters Association. If this had been done several years ago, he said, much of the present grief would never have appeared; if it is done now, much future trouble will be avoided.

Many agents who have been selling life insurance more on the basis of social connections and social standing than from the standpoint of the insurance itself rapidly are losing their ability to obtain new business, he said. Analysis has shown that policies sold on the basis of golf and club connections are beginning to lapse.

Sees Revolution in Methods

"Insurance companies today don't want agents who shirk work, dodge responsibilities, or who exaggerate. They want agents with skill, courage and energy," he said. "It seems to me that there is in process a revolution in the methods of getting new business, and in all probability these older agents are in many instances not suited to present day conditions."

"One of the most difficult questions confronting the insurance commissioners now is that of appraising the management of insurance companies. Typical analysis of a company's affairs in the past has been confined largely to a study of the financial affairs of the company. Today it is becoming equally important for the directors of companies to appraise the managerial ability of the company's officers and to eliminate weak home office and agency representatives."

"The day is at hand when the directors, the chief officers, and the agents of insurance companies, together with the public, want the facts. There should be no secrets and no misrepresentations."

"Under the very prosperous conditions which prevailed during the period from 1920 to 1930 there were few severe tests of the management of companies. In good times a life insurance company is one of the easiest of all businesses to manage; in bad times it is one of the most difficult."

Tax Petitions in Virginia

The Life & Casualty Company of Nashville and the Jefferson Standard Life and the Pilot Life, both of Greensboro, N. C., filed petitions this week with the Virginia state corporation commission assailing the validity of the retaliatory tax law of that state and seeking a refund of taxes assessed against them under that act for 1929, 1930, 1931, and 1932 as follows: Life & Casualty, \$4,233; Jefferson Standard, \$4,346; Pilot Life, \$2,793. The taxes represent the differentials between the amounts required of non-Virginia companies by Virginia and the amounts assessable by the laws of North Carolina and Tennessee against Virginia companies. A hearing on the petition is set for June 20.

Receivers for A. I. U. Fraternal

COLUMBUS, O., May 4.—Superintendent C. T. Warner of Ohio and H. M. Bennett, have been appointed receivers for the American Insurance Union, a fraternal.

Greater Office Management Topics Debated in Eastern Meeting

REVIEW UNDERWRITING STEPS

Problems of New Business and Mortgage Loan Departments of Companies Are Discussed

Management and administrative problems of new business and mortgage loan departments were discussed at the eastern spring conference of the Life Office Management Association in New York. The first day's session was devoted to organization of the work of underwriting and issuing life policies. J. B. Slimmon, secretary Aetna Life, was general chairman. The papers presented covered the entire underwriting and issue routine from the time the application is received in the agency until it is issued as a policy by the home office. Among the speakers were H. O. Rasmussen of the J. Elliott Hall agency, Penn Mutual, New York City; G. E. Rogers, Jr., manager ordinary issue department, Prudential, and H. J. Becker, assistant secretary New York Life. Other steps were taken up by Malcolm Adam, assistant vice-president Penn Mutual; Phelps Todd, vice-president and insurance supervisor of Provident Mutual; D. L. Brush, Connecticut General, and L. Z. Richards, supervisor life underwriting department Aetna Life.

Report on Cost Survey

There followed report of survey of personnel and costs of underwriting and issue work in five companies, presented by Miss Marion A. Bills and H. D. Prentice, Aetna Life. This was the result of six weeks of cooperative work by representatives of five New England companies. Mental alertness tests were given and such factors as education, length of service, salaries, etc., and their influence on costs, were considered. The results indicated a relation between the score an individual makes and his ability to qualify for promotion to higher type work, and that from such correlations practical facts can be derived for the guidance of the management.

Current problems created by the mortgage situation and by indications of currency inflation were discussed at the second day's meeting, the theme being home office procedures in handling foreclosed loans on farm and city property. F. L. Rowland, secretary of the association and secretary Lincoln National Life, presided and presented a paper on "Home Office and Field Organization for Handling Acquired Real Estate."

Urges Maintaining Rents

He stressed the role of life companies in resisting deflation of real estate values by refusing to "dump" property on the market and declared companies would benefit from continuing this policy. He also favored a policy of refusing to depress rents below what might be termed the "market price" for any given community. Such reduction of rents might occur, he pointed out, if the insurance companies should adopt highly competitive rent schedules in order to fill buildings they have taken over.

Control of Records

Accounting and control of records for farm and city properties were discussed in a paper by R. O. Fowler, Connecticut General, presented by H. G. Murphy of that company in Mr. Fowler's absence. Rehabilitation of property acquired through foreclosure was discussed by H. F. Chadeayne, Missouri State Life. H. W. Foskett, Equitable of Iowa, presented a paper prepared by F. W. Gleason, vice-president Pan-American Life, outlining practices of 60 life companies in the disposal of property acquired through foreclosure.

The handling of insurance and taxes on properties owned was discussed by R. C. Thomson, assistant treasurer Mutual Benefit Life. One of the outstanding contributions was an address by C.

L. Benner, vice-president Continental American Life, on pending federal legislation pertaining to farm and city home mortgages and its effect on life insurance. He outlined provisions of bills pending before Congress designed to aid distressed farm and home owners and the possible effects.

The midwestern special conference will be held in Fort Wayne, Ind., June 12-13, members in attendance being guests of the Lincoln National. The meeting will be devoted to a study of operation of the new business department in the small and medium-sized company, with attention being given to home office underwriting practices and procedures.

"Die by Own Hand" Construed

A life policy provided: "If within two years from the date hereof the insured shall, whether sane or insane, die by his own hand, the liability of the company shall be limited to the premiums paid." Held that the clause does not excuse the insurer from liability in a case where the insured, at the time he jumped out of the window, was under the influence of intoxicating liquor to such a degree as to be unable to understand that if he stepped through the window, such act might cause his death. *Ladwig vs. National Guardian Life (Wisc. Sup. Ct.)*

High Rated Companies Hold Major Part of Insurance

A. M. BEST ANALYZES RESULTS

Finds Companies with A and B Ratings Have 95 Percent of Insurance in Force

Announcement is made by A. M. Best & Co. that more than 94 billion dollars of insurance is in force in companies which are rated "A" for 1933. This comprises 89 percent of all the insurance rated, Best states. There is more than six billion in force in companies rated "B" or almost 6 percent. Both of these ratings, Best regards as recommended. "The companies so rated have 95 percent of all insurance in force," the bulletin states, "a remarkable commentary upon the great strength of the business."

Best states that although a number of companies are not in first-class condition, their relative importance is insignificant. Those companies receiving the two highest ratings are undoubtedly sound, and while they are only 60 per-

cent of the ratable companies by number, they comprise 95 percent of all insurance in force, assets and policies. There are more than 300 legal reserve companies in the country. Of these the first 20 hold about 77 percent of all policies and assets and the first 30 have about 85 percent. The first three companies in size hold one-third of all the business. "Generally speaking," Best states, "all the larger companies and many of the smaller ones are in excellent financial condition."

Cash Reserves Strengthened

Best states that the life companies as a group received last year more cash than they paid out. Therefore cash reserves were further strengthened and additional funds were available for new investments.

Since the reopening of the banks, loan restrictions have been liberalized, Best points out. The average policy is about \$3,000 and the average reserve available for loans and surrenders is not large. The present restriction of \$100 does not apply to a majority of applications. It is planned gradually to relax all restrictions until there are none. "The financial condition of the life companies has justified full payment throughout and they cannot fairly be blamed for banking difficulties."



Great Salesmen of History



THEODORE ROOSEVELT

Theodore Roosevelt, great Colonel of the Rough Riders, ranks as one of our most famous Presidents.

As a pale, thin, near-sighted boy, with miserable health, his future was despaired of, but by sheer grit and determination he overcame his physical defects to become a strong, robust man who stands out in American life as the very personification of radiant health and dynamic energy.

Author, soldier, naturalist, explorer, Teddy Roosevelt's greatest qualifications were his indefatigability and unbounded enthusiasm.

He loved politics because it brought him in contact with the masses of humble people with whom he, as a son of wealthy parents, was supposed to have little in common.

Many of our Presidents have proved that poverty was no bar to the White House. Teddy Roosevelt proved that inherited wealth was no ban to Democracy, and all during his public career he ably championed the cause of the common man. Social justice was the prime article in his social creed!



ROYAL UNION

LIFE INSURANCE

COMPANY

DES MOINES, IOWA

S. A. APPLE, President



Today The Easiest Thing to Sell Is Wholesale Insurance

The Company sold more wholesale insurance the first three months of 1933 than in any previous quarter. One Connecticut General man calls it "depression insurance," because it calls for the minimum outlay.

Wholesale insurance fills present needs admirably and accumulates a large body of policyholders to whom individual insurance and retirement annuities can be sold later.

**Connecticut General
Life Insurance Company**
Hartford, Conn.

Interesting Facts

from the

JEFFERSON STANDARD'S

Annual Statement January 1, 1933

NEW INSURANCE ISSUED (PAID-FOR BASIS)	\$ 36,440,100
INSURANCE IN FORCE	328,270,890
PAYMENTS TO LIVING POLICYHOLDERS IN 1932	6,387,683
PAYMENTS TO BENEFICIARIES IN 1932	2,852,580
TOTAL PAYMENTS TO POLICYHOLDERS AND BENEFICIARIES	9,240,263
TOTAL PAYMENTS TO POLICYHOLDERS AND BENEFICIARIES SINCE ORGANIZATION	65,103,520
RATIO OF ACTUAL TO EXPECTED MORTALITY	59%
INTEREST EARNED ON TOTAL INVESTED ASSETS	5.5%
ACTUAL INTEREST COLLECTIONS ON MORTGAGE LOANS IN 1932 AVERAGE	6%
INTEREST PAID ON FUNDS HELD IN TRUST	5%

JEFFERSON STANDARD LIFE INSURANCE COMPANY

Greensboro, North Carolina

JULIAN PRICE
PRESIDENT

A. R. PERKINS
AGENCY MANAGER

Compilation of Payments Restores Public's Faith

Like it or not, life insurance agents for some time to come are going to be met with the argument, "I do not believe in life insurance." It was thought that this bogie-man had been stifled forever, but the depression has brought all the old issues and doubts to the fore, in life insurance as in other investments. The public is in a doubtful state of mind.

In THE NATIONAL UNDERWRITER'S Life Payments Localized number is an impressive visualized demonstration of the effectiveness of life insurance, brought home by individual cases to every city, community and hamlet of the land, showing how universal life insurance

has become. The list of one company's claims does not produce this massed effect; to say merely that two billion dollars or three billion dollars has been paid out in cash in a certain year cannot possibly have the same effect as the actual list of names.

The life insurance salesman will by the mere display of this big number show how in spite of financial panics, business failures, bank moratoriums, inflation and deflation, life insurance has not for a moment faltered in its distribution at its present rate of upwards of three billion dollars per year, three billion dollars of the dearest money in the world bought with the cheapest money in the world. No one can look over the actual lists of thousands and thousands of claims paid without being impressed with the fact that life insurance is the great cornerstone of the nation's thrift and economy, the bulwark and safeguard of its social system at its weakest point.

Sell Institution As a Whole

Thus the Life Payments Localized issue sells the institution of life insurance as a whole in a way that cannot be done by other means for the simple reason that it shows life insurance in actual operation, as it functions from day to day. This is very important at a time when many people question not only life insurance but all financial institutions.

The impressiveness of the whole is emphasized by bringing the argument home to the prospect's own town and community; in looking over the names of the people whom he has known who carried life insurance he is taking a cross section of the whole institution; testing it as a cook does her cake with a straw. It is the local information, the local test, that assures him that the whole exhibit is a reliable and honest one.

In the use of Life Payments Localized number the agent is, as it were, letting his prospect into an inside view of the works; it is as though a buyer of a Ford automobile were taken through the Ford factory, or reader of a daily newspaper taken through the newspaper plant and shown the various operations

by which the finished paper is produced.

Let us look at it from another angle: A prospective buyer of life insurance may not feel that he is wholly capable of judging the essential soundness and value of life insurance by himself. Show him the list of large policyholders on whom claims have been paid, pick out the names of the shrewdest bankers and investors, the men whose reputation for sound business judgment has been outstanding and show the amounts that they carried. On the whole the list of life insurance claims paid and life insurance carried is the list of the shrewdest and wisest members of the community.

No one can successfully maintain an argument against life insurance and its value when every one of the many thousands of claims listed in "L. P. L.", and particularly those on men and women of well known probity and judgment is an irrefutable argument in favor of it. Herein lies the strength of this great annual list of claims actually paid.

The policy of the compilers and publishers of the Life Payments Localized issue is not to publish the names of claims where there is objection on the part of the beneficiaries or representatives of the estate; so that, great as is the list of the names given, there is a great number of claims where the names have been withheld and also a large number of claims which have not been reported at all. The publishers do not guarantee the accuracy of the amounts given because in some cases there were only partial reports. The purpose of the publication is served even though the compilation is not absolutely complete because that purpose is not to satisfy mere idle curiosity but to show by indisputable evidence—by localizing and individualizing as much as possible—that life insurance is functioning on a vast scale, pouring money into the gaps where, and when, it is most needed; collecting "cheap" money, earned during the period of life when it can best be spared, and paying it out—"dear" money—when it is at its highest value, to supplant earning power destroyed by death.

Life Insurance Withstands Adverse German Conditions

That life insurance can withstand even the most adverse conditions is evidenced by a study of German life insurance companies completed by Senator Lonergan of Connecticut. The German companies have suffered large losses and retardment of growth from reduced employment and the growing number of suicides and policy cancellations and other adverse factors. The result has been that the German people have increased confidence that investments in insurance policies are sound.

Senator Lonergan said that the vitality of the German companies and their success despite conditions should indicate to American companies that there is no possible fear of collapse under the relatively stronger financial situation in this country.

One of the leading German companies

wrote more policies and paid more dividends to policyholders during 1932 than in previous years. It is difficult to find the exact method of valuation of securities used by the Germans, although it appears that under the revalorization act of 1925 there is a tendency to "peg" the basic value of mortgages and substantial investments, stabilizing approximately 65 percent of the investments. The basis of valuations is similar to the convention values in the United States.

Imprints Message on Checks

Putting a life insurance advertising message on the back of checks is an idea which has been used for several years by Frank Lane, agent of the Connecticut Mutual Life in New York City. The business which Mr. Lane has received from this source has convinced him that it well repays the small cost of having the checks imprinted. He believes the idea would be even more effective in smaller communities than New York.

Method for Rehabilitation of Life Companies Needed

(CONTINUED FROM PAGE 3)

field men of larger companies, for ruthless treatment as regards small and weak companies but is this not a destructive attitude even for the best companies? It is fortunate that virtually every one of the small companies which are in question are on a stock basis. The stockholders of these companies lose their investment before the policyholders are touched. Had these companies been on the mutual basis the entire loss through poor management would fall directly upon the policyholders. There should be enough give and take, enough of the spirit of fair play to conserve these weaker concerns for the best interests of the business as a whole.

It may be said that even some of the largest companies might have been in serious difficulty had they not received help in one way or another through the policies of the Roosevelt administration and the agents of these companies should not allow their competitive spirit to take a destructive turn which will react eventually against them and their companies.

Many Lessons Learned

The life insurance business has learned many lessons in the past two or three years and it should profit from them. The structure of small and going companies has been built up at tremendous cost in effort and money and should not be destroyed. The life insurance business as a whole must stand or fall together in the good opinion of the public, which is so important at this time. There should be no attempt to continue companies which are impaired to any extent but their policyholders should be borne in mind as the first consideration. In every state there are good local companies whose managements know the conditions of the companies which are in trouble and who are in a better position to handle them by some equitable plan than are the state insurance departments or a receiver. This is no time to apply punitive and expensive methods to policyholders, or agents, in companies which can no longer continue their separate identities.

Some Business Effects of Well Timed Inflation Move

(CONTINUED FROM PAGE 4)

From the moment inflation is proclaimed and made definite, business will go forward, not on the spending of lucky speculators, but to supply the needs dammed up by four years of declining production. The more definite the inflation, the more fiercely will business drive forward. If the inflation should be paper or silver, business will still leap forward, but it will be from fear of the money and the desire to convert it into property, not from healthy trade. Gold inflation will leave no problems except of readjustment to higher prices.

Effect on Life Companies

With inflation of some sort sure, and not far off, the special effects on insurance may be considered. It has been asserted that it will benefit the companies that leaned toward speculative investments more than those of the old rockbottom type. It is true that inflation will rescue companies with investments that do not now look good, but it should be remembered farm mortgages, railroad bonds, choice real estate bonds, etc., were investments to boast of when they were made. Municipal bonds were considered high class. Companies that took great care for liquidity are at some disadvantage in interest rates, because liquid assets pay low returns. This slight disadvantage may be more than overcome by the bargains to be picked up now by the liquid companies.

The first great advantage to life in-

surance of course will be in the reopening of the banks, which will permit the raising of the moratorium. The second advantage is that it will end worries about farm mortgages, railroad bonds, etc. It will probably lead to a profit on properties that have been taken in foreclosure.

To agents the great advantage will be the reopening of the sales field. The plea of lack of money will not be heard so often. Since new money will come from restored trade, not from speculators' profits, the first response will come from those who really have money, but have been afraid to spend it. The amount of ready money is larger than those who hear the grief stories all day long might suspect. "No money" has been the easy alibi of those determined not to spend it.

Lessons of Thrift Ground In

If the inflation is gold, business will start like a sprinter the moment it is proclaimed. Hundreds of thousands will soon be earning wages or making profits. The lesson of thrift has been ground into them by hardship and humiliation, if not by actual lack of food. Life insurance has proved itself a better resource than banks for hard times, despite the moratorium. Policyholders have been able to get money if they really needed it, which is more than

they could do from banks. The legal reserve record is still unbroken and no company has failed except where the assets were exploited in private enterprises of the officers. And those cases have been few. Supervision will be far more strict in the future, so that life insurance is entitled to the full confidence of the most discriminating.

Pays Billion in Dividends

The billion dollar mark in the total amount of dividends distributed among policyholders has just been passed by the New York Life. It is the first to exceed that figure, having made such disbursements without interruption for the past 86 years.

The average amount of dividend disbursements has been about \$5,000 for every working hour since the company was founded 88 years ago, and was over \$27,000 for every working hour the past year.

Annuities' Popularity Continues

Annuities are still enjoying an ever increasing popularity with the public. The annuity business of the Connecticut Mutual has shown a steady increase for the past three years, and for the first quarter of this year was approximately

Takes New Post

Fred B. Humphrey, well known to insurance executives and agents in many sections, who was recently appointed southwestern manager of THE NATIONAL UNDER-

WRITER with headquarters in Dallas, has started on his new work and is now in Oklahoma. He will visit the principal cities in Texas in the near future and will be present at the annual meeting of the Texas Association of Insurance Agents to be held in Corpus Christi on May 25-26. Mr.

Humphrey for many years had been identified with the "Spectator" as vice-president and is held in very high esteem by all insurance men.

three times that written during the corresponding period last year.



F. B. HUMPHREY



\$2,850.00

in approved assets for each

\$1,000.00

of Policy Reserve liability

THE Great American Life of Texas has a financial structure equaled by few young institutions in the country. No bank or governmental loans are outstanding and no real estate is owned.

Inquire about our liberal agency contract and modern line of up-to-date policies. Territory available to conscientious agents in Texas, Colorado, Louisiana, Idaho, Arizona and North Dakota.

THE GREAT AMERICAN LIFE INSURANCE CO.

Chas. E. Becker, President

HOME OFFICE: SAN ANTONIO, TEXAS

"Where the sunshine spends the winter"

Record of New Insurance in Ohio for the Last Year

LEADERS IN STATE LISTED

Total Amount of All Life Business Written There in 1932 Was
\$987,785,038

The amount of the new life insurance written by companies of all classes in Ohio last year amounted to \$987,785,038 according to the state insurance department. There were \$207,185,283 premiums received and \$67,257,870 claims paid. The ordinary insurance written by Ohio companies amounted to \$66,591,423 with the Western & Southern leading with \$15,673,430. Next came the Union Central with \$14,796,770; Midland Mutual, \$6,555,516; Ohio State, \$6,259,576; Columbus Mutual, \$7,511,687; American Insurance Union, \$5,358,573; Ohio National, \$3,613,516; Columbia Life, \$1,627,590.

Leaders Among Outside Companies

Of the domestic companies outside of Ohio the new ordinary business was \$423,453,483. The leaders were the Aetna Mutual \$3,134,761, Aetna Life \$10,078,889, Bankers of Iowa \$4,856,928, Connecticut General \$6,187,728, Connecticut Mutual \$7,108,619, Continental of Chicago \$4,898,552, Equitable of New York \$19,882,688, Equitable of Iowa \$6,396,397, John Hancock \$11,707,517, Life of Virginia \$2,635,906, Lincoln National \$6,806,046, Massachusetts Mutual \$15,793,179, Metropolitan \$74,997,242, Missouri State \$2,161,263, Mutual Benefit \$12,115,977, Mutual Life of Baltimore \$2,822,500, Mutual Life of New York \$15,757,167, National Life of Vermont \$3,697,784, National Life & Accident \$3,768,332, New England Mutual \$7,164,940, New York Life \$21,066,252, Northwestern Mutual \$17,364,105, Northwest-

ern National \$3,053,203, Pacific Mutual \$3,960,993, Penn Mutual \$4,338,503, Phoenix Mutual \$4,136,612, Provident Mutual \$6,593,386, Prudential \$74,581,707, Reliance Life \$3,894,578, State Mutual \$4,376,955, Travelers \$11,987,468, United Mutual \$2,077,432.

The Sun Life of Canada wrote \$10,229,661 and the Canada Life \$2,165,123.

State's Industrial Leaders

The industrial leaders in Ohio were the Western & Southern \$92,129,162, American Life & Accident \$11,163,194, Equitable of District of Columbia \$3,638,250, John Hancock \$19,864,150, Kentucky Central \$10,932,221, Life Ins. Co. of Va. \$10,973,142, Metropolitan \$76,676,032, Mutual Life of Maryland \$17,189,502, Prudential \$87,915,151, Sun Life of Baltimore \$4,820,404, Supreme Liberty \$2,247,932, Federal Union Life \$2,990,058, Washington National \$4,312,471.

The group leaders in the state last year for new business were the Credit Life of Ohio with \$5,672,317, Aetna Life \$14,144,941, Connecticut General \$5,115,500, Equitable of New York \$11,164,060, John Hancock \$3,101,800, Metropolitan \$30,836,258, Provident Life & Accident \$2,628,250, Prudential \$24,745,420, Travelers \$17,549,685.

The Pure Protection Life led the assessment companies with \$4,357,700 new business.

Salary Limitation Bill in Nebraska Is Turned Down

LINCOLN, NEB., May 4—The bill fixing a maximum salary of \$5,000 a year for all insurance company executives and employees where insurance in force is less than a million, with an absolute limitation of \$15,000 a year for all companies, after being advanced in house committee of the whole, was slaughtered, 71 to 15, when it was placed on passage. The old law fixing \$5,000 as the limit except where two-thirds of the directors of a stock company or two-

Bullen Sees Big Change in Business in 50 Years

A remarkable record has been established by Charles F. Bullen, manager for the Canada Life in Chicago, who has attained the 50th anniversary of his connection with this company. He has been manager for the Canada Life in Chicago 44 years. In all that time the agency has not had more than 12 agents other than Mr. Bullen and his brother, John H. Bullen, who has been associated with him in Chicago since 1895 and is secretary of the agency.

Also in the near half century in which Charles F. has managed the Chicago office, the brothers have not accepted more than 20 notes in payment of premiums and on these they have not suffered a dollar loss. This is particularly

thirds of the members of a mutual vote a larger stipend, with power resting in the insurance director to make reductions when conditions of a company require, remains effective.

After having fixed \$3,200 as the salary of the insurance director, a cut of 20 percent, the legislature reconsidered and raised it to \$3,600.

Senate Refuses to Concur

The senate refused to concur in the house amendment to the bill governing investments of domestic companies, and the matter goes to conference. The objectionable house amendments require all companies to deposit 40 percent of their premium income quarterly with the state treasurer until the total reaches the sum of losses sustained in the state the previous year, as security for payment of future losses. Nebraska insurance interests vigorously oppose the amendment on the ground that reciprocity laws of other states will be invoked against them with disastrous results.

noteworthy since most of the agency's production has been the personal writings of the two brothers and their business has been of a highly personal character which ordinarily would result in accepting a large number of notes.

Agents Met Warning Signs

In the half century the Bullens have seen life insurance grow from a despised calling to one of the greatest and most respected businesses in the world. In their early days in life insurance they often made calls on prospects who had signs posted warning all book agents and life insurance agents to stay away. In those days most life insurance companies did not see fit to advise the public about their financial condition. Now the companies report all transactions in detail to the insurance departments and complete investment portfolios are broadcast to the public by many companies.

The Bullens have seen life insurance grow from death insurance only, against which most people had revulsions of feeling on religious and sentimental grounds, to the point where policies protect the living values in home and business, provide guaranteed incomes for policyholders, beneficiaries and perform a variety of other functions aside from mere protection against death.

Charles F. Bullen started in the head office of the Canada Life as office boy at Hamilton, Ont., and six years later was sent into the field as agent in Chicago. He represented the company in that city, officially opening the branch office in 1895, when his brother joined him.

May Deduct Property Taxes

MONTGOMERY, ALA., May 4—Domestic companies in Alabama may deduct the amount of property taxes paid from the privilege tax required of them, according to a ruling of the state supreme court, in a case brought by American Standard Life of Birmingham to recover an excess payment.

President Charles F. Williams Says:

"I am a firm believer in the advantages of life insurance as a career, and particularly so for members of the Western and Southern field organization. In times like these it appears to me that this advantage is more than ever apparent. We life insurance men have employment, and it is within our power to keep employed as long as we are willing to pay the price in intelligent and industrious effort. I never miss an opportunity to stress the permanency of employment which our business offers. That, I think, is the most desirable fact entering into the consideration of the young man who is considering life insurance as a career.

"What I like most about our business is the fact that it encourages and rewards individual initiative and industry. There are so many lines of endeavor where men receive a certain wage or salary because that's what the job pays, and the worker who excels in that particular job gets no more than those of mediocre ability. But it shall always be the policy of this company as long as I have anything to do with the management of its affairs to give extra reward for extra effort. It is my fondest ambition to be surrounded by happy and prosperous men."

STUPENDOUS LOTTERY
TAKE A CHANCE
WIN A FORTUNE
A MILLION DOLLARS IN PRIZES

A MILLION TO ONE CHANCE

DON'T TAKE A CHANCE, TAKE LIFE INSURANCE

IS YOUR...
GRAB BAI...

Savings Banks and Insurance

A Pittsburgh agent writes as follows, commenting on the proposals advanced by L. Brackett Bishop in the April 28 issue of THE NATIONAL UNDERWRITER:

One of my policyholders has offered some startling ideas on life insurance. He wanted to know about his loan values, and as he was not in an unreasonable mood, and did not actually want to borrow but wanted an explanation, I took along your issue of April 28 to show him the article on the change of emphasis in regard to banking features, and incidentally showed him the write-up of L. Brackett Bishop's suggestions.

Suggestion Is Offered

Happening to mention the restrictions on savings deposits as a justification for the moratorium, I was taken aback by the question, why should there not be two kinds of life insurance, just as there are two kinds of banking? Savings deposits are subject to restrictions equivalent to those suggested by Mr. Bishop, while commercial deposits are subject to demand. His idea was to have separate companies, but as an agent I would rather have my company offer both kinds. The commercial banks established savings departments because they did not want to lose the business of the savings depositors, and many savings banks gave checking privileges in order to hold their savings deposits.

Policyholder Should Choose

Both kinds of banking can be handled with one overhead and agents would dislike to lose the privilege of selling either simple protection or demand insurance. It would pay us to be able to let the policyholder choose. I am not sure I am completely sold on the idea, but at least it is not silly, and this is a day of reforms.

The difference would be the same as

in banking, namely, the right of withdrawal. The banking difference in interest return or earnings could also be carried into life insurance. A savings bank can pay a high interest, compared with a commercial bank, because it can pick out solid, long term securities and keep most of its money invested. The commercial bank on the other hand has to keep a rather large proportion of idle currency, and furthermore even its investments have to be liquid and consequently earn low interest rates. A life company which offers banking facilities, in the way of instantaneous withdrawal, must really protect itself like the commercial banks, with large cash resources and low interest bearing liquid assets.

Legal Separation of Funds

My customer did not give up the idea of separate companies, his contention being that the right of withdrawal subjects a company to a run which would carry down both branches if they are both written by one company. It would seem that legal authorization of separate funds, and a requirement that they be kept separate, would take care of that difficulty.

Of course, life insurance companies are going to be more solid than ever in the future, good as their record is in the past. The main difficulty to my mind is one of equity. Why should a policyholder who requires that his reserve be kept instantly available draw down the same dividends as one whose contract permits of long term, profitable investments? Participating companies could dispose of the matter by keeping the funds separate and crediting the correct earnings on the two classes. It would be curious to see whether such a separation developed a differential in mortality rates.

I discussed these ideas judicially be-

cause the customer is still a good prospect and a good friend. You may be interested in them, inasmuch as you printed Mr. Bishop's rather radical proposals.

R. T. Taylor Says There Is Too Much Office Supervision

R. T. Taylor, president of the Durham, N. C., Life Underwriters Association, in a letter to THE NATIONAL UNDERWRITER states that the field is carrying entirely too large a burden in the life insurance load. He claims the salesman is having too difficult a time to make a living. He takes the position that there is too much supervision at the head offices. There are production officials, field and agency supervisors and assistants galore and yet Mr. Taylor declares that in nine cases out of ten these men are not practical salesmen and could not make a living selling insurance.

Too Much Supervision Found

Mr. Taylor contends that the salesman is being too greatly supervised and too much money is paid for this service. He says it is the field man who keeps the wheels turning and when he stops everything ceases. He is inclined to believe that there is much surplus supervision and thus the business is called on to stand too heavy an expense load in that cause. The companies, he said, should make the road easier for the people out on the firing line.

He said, "It is not right for the officials to make the man in the field carry the entire load. That is just, however, what the salesman has been doing. Unless I am sadly mistaken the time is coming and soon when the producer will be shown more consideration. It is all very well to be told about the nobility of our business and what it means. That will not make up for less commissions earned while the going is rough."

Possibilities for Life Men in Accident-Health Sales

The possibilities that accident and health insurance offers for the life insurance salesman and the close relation between the two lines were emphasized by all of the speakers at the second accident and health sales conference held Wednesday in Chicago, sponsored by the Accident & Health Insurance Club of that city. The conference presented a notable program of speakers, who held the attention of a record crowd throughout the session. C. H. Davis, Pacific Mutual Life, acted as chairman and introduced the speakers, as he did at the first conference. R. W. Abbott, Maryland Casualty, president of the club, gave a brief address of welcome.

All the speakers were Chicago men and all well-known in the accident and health field. The addresses were: "The True Concept of Accident and Health Insurance," Harold R. Gordon, executive secretary Health & Accident Underwriters Conference; "Basic Need for Income Protection," A. M. Holtzman, Continental Casualty; "Why Sell Accident and Health Insurance?" C. T. Redfield, Mutual Benefit Health & Accident; "Sales Demonstration, Cold Canvass, Approach, Interview, Various Closes," B. H. Groves, Travelers; "Your Future—Where De We Go from Here?" F. W. McIntosh, Monarch Life.

PUBLISHERS HAVE FLED

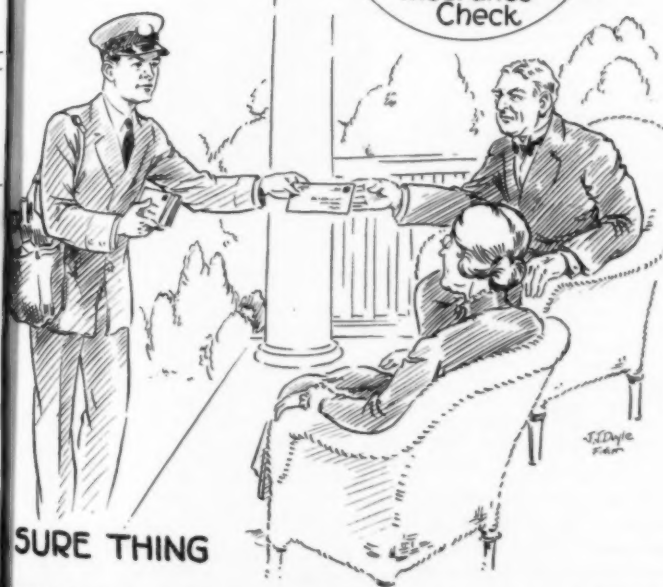
After an absence of several years an anonymous pamphlet entitled, "Life Insurance—The Great American Swindle—How Our Insurance Laws Rob the People of Billions," has again made its appearance on New York news stands. The author is greatly aroused over the fact that life companies maintain reserves large enough to pay their claims.

YOUR TUNE

B BAIL BAG ?

SURE THING

SURE HAVE FINANCIAL SECURITY IN OLD AGE.



Savings Saved Safely

"Savings Saved Safely" is a slogan of the Western and Southern Life Insurance Company. For 45 years safety has been a tradition with the management and personnel of the company. Today it stands as one of America's strongest life insurance companies in amount of assets per dollar of insurance.

Its impregnable safety is assured by carefully selected risks, minimum expense, and sound investment in government bonds and first mortgages of only half the value of the collateral property. All such investments are carefully regulated by state supervision and have been depreciated to positive values.

Could any investor ask for a safer medium? Could any salesman sell a sounder investment?

Western and Southern representatives are inspired with confidence in the safety of the protection they sell. Splendid opportunities are afforded in our organization to young men of education and ambition. Fifty-two weeks' employment every year! Communicate with any district office.

The Western and Southern Life Insurance Co.
Cincinnati

THE NATIONAL UNDERWRITER

LIFE INSURANCE EDITION, PUBLISHED EVERY FRIDAY

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Revised Illinois Investment Bill

THE revised Illinois investment bill for life insurance companies aims at systematic diversification. It is a forward looking measure and is an attempt to guard companies in the future as far as possible against the weaknesses that have come to the surface during the last three years or so. After all there is a great human element in any business enterprise. It is not absent in life insurance management. It is very difficult and, in fact, impossible to legislate people so they will be honest. There must be conscience and a sense of responsibility behind every company.

However, the companies that have gone into a receiver's hands or those that are in considerable trouble at present reveal two factors. In the first place, a management may be dishonest and so mercenary as to substitute dubious securities for excellent ones or pursue other tactics that will ultimately wreck a company. The other revelation is the danger seen in having too large a block of securities based on one enterprise or in one class of securities. For instance we have examples where a company of small or medium size erects a handsome home office building at considerable expense. It has far too much

invested in the structure. The ILLINOIS LIFE failure brought out the fact that this company had too large a percentage of its securities based on the Stevens hotel. Another company may have entirely too large an investment in a utility or group of utilities. Another company may have gone too far in investing in farm mortgages. Another may be lopsided in its railway bond investments.

The Illinois bill therefore fixes a maximum percentage which a company can invest in any one enterprise and furthermore it establishes a maximum percentage for any special class of investments such as farm mortgages, city mortgages, public utilities, railway bonds, municipals and the like. It is diversification that brings security and the greatest safety. There are certain limits within which a life company can swing in making investments. It should take advantage of all these opportunities and have a diversified portfolio. In these days of rapid change no one can tell what will happen five or ten years from now. Therefore, in revising investment laws there should be sufficient elasticity to take advantage of new conditions as they arise.

Getting Valuable Information

THE NATIONAL CONVENTION OF INSURANCE COMMISSIONERS is gathering information now weekly from the life companies which is being assembled at the office of the New York insurance department whereby some interesting conclusions on the moratorium can be drawn at the time the officials meet in Chicago the first of June. The blanks cover items that have a particular bearing

on a company's cash and liquid position. The companies will give their experience, both in states where there are restrictions as to loans and surrenders and those where there are not. This will enable the commissioners to ascertain how the companies are faring, both as regards their receipts and disbursements, with various items under each head.

Use Health and Accident Policies

MANY life men who find their business greatly curtailed on account of the moratorium and a certain amount of prejudice here and there among policyholders because policy loans and surrenders are not available at all time are turning to health and accident insurance

as an excellent outlook for their energy. Health and accident soliciting fits in well with the program of those who specialize on personal insurance. Life, health and accident protection work together in perfect harmony. Frequently a life man has an opportunity

PERSONAL SIDE OF BUSINESS

Edward D. Duffield, president of the Prudential, will be the principal speaker at the commencement exercises at Lafayette College.

Governor C. D. Buck of Delaware has been elected a director of the Continental American Life. He has been governor since 1929. He is also president of the Equitable Trust Company of Wilmington.

Commissioner Jess G. Read of Oklahoma, left Sunday for a visit to his "old home town," Scottsville, Ky., and his annual fling at the Kentucky Derby. In the last 25 years the commissioner has missed the Derby but three times, and one of those was when he was in France during the war.

A. L. Saltzstein, Milwaukee, general agent for Wisconsin and northern Michigan for the New England Mutual Life, has been elected a member of the national advisory committee of the American Jewish joint distribution committee, an overseas agency of the Jews of America for welfare work.

Edward O. Stanley, a director of the Mutual Benefit Life since 1922, died at his home in East Orange, N. J., after an illness of several weeks. His son, Edward, Jr., is counsel of the Mutual Benefit.

Mr. and Mrs. Roy C. Millar, Milwaukee, have announced the birth of a son. Mr. Millar is general agent there for the Franklin Life and Mrs. Millar is well known in musical circles as a coloratura soprano.

Miss Dorothy Cathles, daughter of L. M. Cathles, president of the North American Reassurance of New York, and Mrs. Cathles, was married the other day to John Mark Kenchington of Birmingham, Eng., at the Church of St. Martin's in the Fields, London. Mr. and Mrs. Cathles attended the wedding. The Cathles reside at Scarsdale, N. Y. A reception at the Savoy hotel in London followed. The newlyweds will reside in London.

J. P. Somerville, general agent of the Penn Mutual Life in Kansas City, Mo., for 28 years and a life underwriter for 48 years, last week celebrated his 60th birthday. He first began writing life insurance when he was 21, at Savannah, Mo. He was in Des Moines for three years with the Penn Mutual and then went to Kansas City as general agent.

Paul S. Ranck, secretary and treasurer of the C. B. Knight Union Central Life agency of New York City, celebrated the 25th anniversary of his association with Mr. Knight at a meeting held in the agency office. Mr. Knight was located in Philadelphia 25 years ago and persuaded Mr. Ranck to leave the Real Estate Title & Insurance Trust Co. of that city to enter life insurance. He was then 18 years of age. Mr. Knight was appointed general agent in New York, Jan. 1, 1914, and Mr. Ranck went with him there.

C. B. Knight of New York City, manager of the Union Central Life, suffered a severe attack in his office some days ago following his return from

to serve his clients with all personal forms of insurance. There is one interesting feature about health and accident policies and that is a life man, even in dull times in his own specialty, can sell these contracts. This keeps his appetite whetted. Many life men have built up a very comfortable premium income in accident and health.

spending a number of weeks at Tucson, Ariz. He was taken to a hospital.

A. J. Johannsen, supervisor of the Hobart & Oates general agency of the Northwestern Mutual Life in Chicago, will be married to Miss Harriet Chapell Severin of Evanston, Ill., June 24. After a honeymoon in New England the couple plan to be at home in Evanston, after July 15. Mr. Johannsen is a C. L. U., active in life insurance educational work in Chicago and has directed the C. L. U. review course in Northwestern University and lectured in the life insurance class on the McKinlock campus.

After a four months' absence on account of illness, Assistant Actuary F. B. Relyea of the Bankers Life of Iowa has recovered sufficiently to be able to spend several hours a day at his desk.

Archibald A. Welch, president Phoenix Mutual Life, is forming a president's field staff composed of outstanding salesmen who will work in close contact with the home office. The staff will furnish the home office with the field experience, observations and recommendations for improvement of the company's service. J. C. Parker, Detroit, has been named to the staff.

W. T. Grant, president Business Men's Assurance, and Mrs. Grant celebrated their silver wedding anniversary April 29.

Eugene M. Brewster, Sr., 78, who was with the Equitable Life of New York in Denver for 35 years, much of that time as cashier, died recently in Los Angeles. He was the father of E. M. Brewster, Jr., of Denver, member of the Standart, Main & Brewster fire insurance general agency.

Guy MacLaughlin of Houston, Tex., well known life insurance man, and Mrs. MacLaughlin announce the marriage of their daughter, Rowena, to George O. John on April 29.

Claim was made for Indiana as the state of presidents, at least so far as the National Association of Life Underwriters is concerned, by Elbert Storer, who named the Hoosiers who have so served, during the sessions of the executive committee of the National association in Chicago. Mr. Storer claimed the present president, C. C. Thompson, because he was born in Indiana. Then there were the late Orville Thorp, Frank L. Jones, who is now vice-president of the Equitable Life of New York, and Mr. Storer himself.

Miss B. B. Macfarlane, agency supervisor for the Pan-American Life, attended the mid-year meeting of the executive committee of the National Association of Life Underwriters at Chicago. She was the only woman present. She was presented to the gathering and responded gracefully.

George E. Lackey was compelled to leave before the conclusion of the mid-year meeting of the executive committee of the National Association of Life Underwriters in Chicago. He went to Oklahoma City to take his family to Detroit, where he just recently succeeded John W. Yates as general agent for the Massachusetts Mutual. He has been general agent for that company in Oklahoma City. He is a past president of the National association.

In the many absences of C. C. Thompson, president of the National Association of Life Underwriters, his office of the Metropolitan Life in Seattle is well conducted by his son, C. I. Thompson, who was assigned to the Seattle office last August. Young Thompson graduated from the school of administration

at Columbia university and then joined the Metropolitan. He was an assistant at San Francisco, before being assigned to Seattle.

Arthur C. Burnett, agency director of Great American Life, has been nominated by the citizens league for mayor of San Antonio, Tex.

Robert E. Cecil, assistant manager of the West Coast Life in the Philippine Islands, is visiting the home office in San Francisco, accompanied by Mrs. Cecil and their small daughter. After conferring with company officials, Mr. Cecil will visit Europe before returning to the Philippines.

W. M. Corcoran of Lee J. Wolfe's actuarial and accounting office in New York, who has been doing some special work in Illinois, is in St. Luke's hospital, Chicago, having undergone an operation.

Louis K. Cleaveland, president of the North American Union Life, Chicago fraternal, died at the Moline city hospital, at the age of 61. Mr. Cleaveland had been in poor health for some time. Mr. Cleaveland at one time was

deputy insurance commissioner of Illinois for nine years. He was a brother of H. H. Cleaveland, chairman of the Bituminous Casualty of Rock Island, Ill., and a leading local agent of that city and former head of the Illinois department of public works.

Funeral services were held in Moline last Sunday.

Earle M. Thomas of Boston, associate actuary of the John Hancock Mutual, died suddenly Saturday at his home in Wollaston. He was 47 years of age. He spent 22 years in the actuarial department of the company. He was a graduate of Pennsylvania State College. He spent two years in the graduate school of art and sciences at Harvard.

The will of the late **R. W. Stevens**, former president of the Illinois Life, was offered in probate in Lake county, Ill., this week disclosing \$5,000 as covering the total amount of assets excluding real estate. The will did not reveal the disposition of the Stevens' home, which was transferred to Mrs. Stevens last August. The records therefore show that Mr. Stevens sacrificed his entire personal fortune in the effort to save the properties with which he was associated.

NEWS OF THE COMPANIES

C. Y. Rowe Chosen President

Becomes Head of American Bankers in Succession to His Father, Who Is Now Chairman of Board

Cole Y. Rowe, who has been vice-president of the American Bankers of Illinois, has been elected president to



COLE Y. ROWE

succeed his father, F. H. Rowe, who becomes chairman of the board. R. Y. Rowe, formerly secretary and superintendent of agents, is now vice-president and secretary. Russell G. Steacy, actuary, is given the additional title of assistant secretary, and Edwin R. Franklin has been advanced from assistant treasurer to treasurer.

Under this new lineup, the management will hereafter be vested in younger men and will be, to some degree at least, more active and aggressive than in the past. In the past three years, the company's industrial life business has increased materially and a more aggressive campaign will be conducted for both industrial and ordinary life business than in the past.

Acacia Mutual Record

The Acacia Mutual Life reports that on April 24 the number and total amount of applications received exceeded any day in its history.

May Take Kentucky Home

Three Southern Companies Are Reported to Be Considering Plans for Reinsurance

FRANKFORT, KY., May 4.—State Auditor Talbott has been in conference with officials of the Kentucky Home Life in regard to the possibility of a merger of the company with one of three outstanding southern companies. The three companies mentioned as interested in merger possibilities are the Pilot Life, Jefferson Standard and Shenandoah Life. At least two of the companies have sent representatives to Louisville to examine the books of the Kentucky Home Life with a view to submitting a merger offer. Any consolidation plans would have to be submitted to Mr. Talbott.

It is learned that officials of the Fidelity & Columbia Trust Company still regard as alive their recommendations for reorganization of the company's management despite claims by dominant interests in the company that the plan is "impossible."

Mr. Talbott confirmed the report that Mayor W. B. Harrison of Louisville is no longer on the payroll of the Kentucky Home, but is still acting as president, although he tendered his resignation some weeks ago. It is believed Mayor Harrison was persuaded to retain the office in the hope that the Fidelity & Columbia plan could be put through. It has been submitted to the Julius Barnes-Frank Cohen interests, but so far has not been approved by them.

Washington Life Licensed

The Washington Life of Logansport, Ind., has been licensed by the Indiana department to write life and accident insurance under the legal reserve law of 1899. It has a \$100,000 authorized capital, with \$50,000 paid in. The officers are: President, R. J. Spencer, Jr.; vice-president, W. O. Nicholson; secretary-treasurer, W. D. Kirshner, and in addition to the officers these directors, A. J. Wrege, O. C. Hagemier, J. W. Sluss and A. N. Bobbitt. All but Mr. Spencer, who lives in Marion, are residents of Indianapolis.

Charge Illegal Premium Collection

FRANKFORT, KY., May 3.—Commissioner Senff and officials of the Fidelity & Columbia Trust Company, re-

"DIME-A-DAY" PLAN* ...a complete Insurance Sales Story!

How often have managers thought: "A few of my underwriters have unusual initiative, the creative ability to get the right kind of interviews. But, how can I help the slow starting men to become real producers?" The "DIME-A-DAY" Plan—simple, effective—is a practical answer to this problem.

The Unusual Pre-Approach LETTER

"Produces 4 Interviews for Every 5 Letters"

Results are what count. The "DIME-A-DAY" letter—experienced underwriters say—gets a higher percentage of good interviews than any other approach heretofore available. The "DIME-A-DAY" IDEA—forcefully told in picture and text—"gets across."

The Human-Interest SLIDE BANK

Produces Better Than "1 Application for Every 3 Interviews Secured"

Every man has a hobby. Every man can make a hobby of saving, especially if he can be shown an interesting and easy way to do it. The "DIME-A-DAY" Slide Bank offers a simple method of saving. That's why, we believe, so many underwriters throughout the United States are making new records in "paid for" business through its ingenious appeal to a man's natural instincts.

MAIL COUPON and 75c for SAMPLE BANK

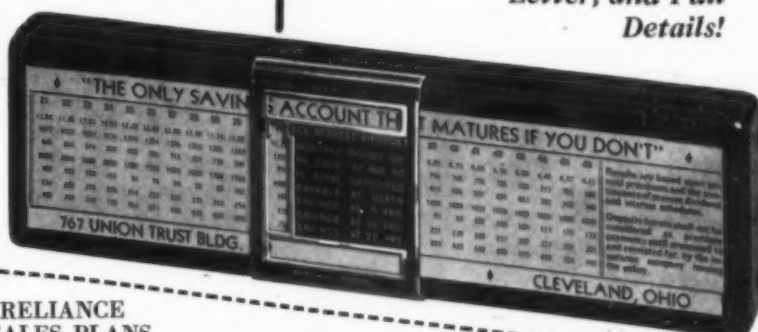
Letter, and Full Details!

ANY COMPANY can use the DIME-A-DAY PLAN

Schedules are already prepared on the popular policy plans of the majority of companies. Schedules can be prepared based on the policies and rates of any company.

RELIANCE SALES PLANS
835 Howard St.
San Francisco
California

*Copyrighted, Patents Pending



RELIANCE SALES PLANS

835 Howard Street
San Francisco, Calif.

NAME
STREET CITY
COMPANY

Opportunity—Now!

SUCCESS is born in the time of adversity—a maxim of age-old wisdom—often proved in business.

A new generation of outstanding Life Insurance Representatives will begin their careers on the road to Success in 1933.

Those who know where they want to go—who have the nerve to begin now—who have the stamina to go through to the inevitable upswing in business—are made of the stuff that commands Success.

This time-tried, progressive Company offers Opportunity and Cooperation to qualified men and women who are sincerely interested in a career of worth-while service, and will work for Success. "Ten Minutes with Your Future" tells the story.

THE STATE LIFE INSURANCE COMPANY

*Indianapolis
Indiana*

THIRTY-NINTH YEAR

CAN HE PAY?

The important question in prospecting today is, "Can he pay?" Fidelity agents learn this in advance, through their lead service, in thousands of cases. This conserves time. It increases the number of hours face to face with interested prospects.

The 1932 experience shows that the ratio of calls to interviews to sales is greatly improved when agents go in behind the lead service. Present day selling demands the concentration on interested prospects, able to buy, developed by this Fidelity service.

Send for booklet

"The Company Back of the Contract"

The **FIDELITY MUTUAL LIFE**
INSURANCE COMPANY
PHILADELPHIA
WALTER LEMAR TALBOT, President

ceiver for the Equitable Life & Casualty, have begun an investigation of complaints by policyholders that former employees of the company have collected premiums since the receivership.

Mr. Senff warned policyholders not to make premium payments to any solicitors. Such payments, he said, should be made only direct to the receiver for deposit in a special trust fund.

New Contract Popular

More than 75 percent of applications now being received by the Mutual Benefit Life are for its new contract, ordinary life with increasing premiums. The first four weeks the contract was available, 57 percent of the volume and 46 percent of the policies issued were on the new form.

The company's acceptance rate has increased steadily since the new policy was introduced. The week ending April 20 showed the highest acceptance rate this year.

Good Results in Week's Drive

Agents of the Northwestern Mutual Life, in a nation-wide Financial Independence Week drive, submitted \$8,681,860 in new business on 2,176 applications. The volume was about 50 percent above that of a normal week at the present time.

Hobart & Oates, Chicago general agency, was first with \$549,000, based on 64 applications from 34 agents. The Victor M. Stamm home office general agency at Milwaukee was second with \$525,400, but led the Chicago agency in the number of applications with 107 from 55 agents.

State Life Makes Move

The home office of the State Life of Illinois is now located in a building at the corner of Ontario and St. Clair streets, Chicago, a property improved with a four-story building formerly occupied as a residence, which the company acquired in 1931. In the neighborhood are the home offices of the Central Life of Illinois, Life & Casualty of Illinois and American Bankers.

Appeal by Mutual Benefit

The Mutual Benefit Life is appealing from the internal revenue department's claim that its 1930 income tax was \$19,-

167 deficient. The company alleges five errors in the government's tax computation. The largest amount of income involved is \$131,855, representing interest included in the bid-in price on properties foreclosed in 1930. The company contends it should not be considered as net taxable income.

Report on R. F. C. Loans

WASHINGTON, May 4.—The Reconstruction Finance Corporation has disbursed \$85,497,312 to insurance companies since its creation, on 172 loans authorized to 118 concerns, its April 1 report, just filed with Congress, shows. The face value of the loans was \$99,164,062, but \$4,789,617 was canceled or withdrawn and \$8,877,133 remained at the disposal of borrowers. Repayments of insurance loans to April 1 totaled \$12,049,171.

The R. F. C. authorized \$6,297,031 loans to insurance companies in March.

New York Life Statement

Ledger assets of the New York Life increased by \$14,610,346 the first quarter. It made new investments aggregating \$15,294,395. Payments to policyholders were \$64,469,138, or \$3,454,225 more than in the first quarter of 1932. Cash on hand and in banks March 31 was \$30,831,538, an increase of \$3,033,934 over the aggregate at the beginning of 1933.

National Aid Life Licensed

The National Aid Life in the Myers building, Springfield, Ill., has been licensed by the Illinois department. A. C. Littlejohn is president.

Life Company Notes

H. B. Hershey, state insurance department liquidator, has been appointed receiver of the **Knights of Pulaski**, a fraternal in Chicago.

The life business of the defunct Old West Life & Annuity of Los Angeles has been taken over by the **Sunset Mutual Life** of Los Angeles. Its accident and health business was assumed by the Continental Casualty a few weeks ago.

The following life companies have withdrawn from **South Dakota**: Cedar Rapids Life, Guaranty Life of Iowa, Montana Life, National Fidelity Life, National Life, U. S. A., New World Life, Northwestern Life of Nebraska, Reliance Life, Royal Union Life and Wisconsin Life.

AMONG COMPANY MEN

J. M. Waddell Made Agency Manager of the Pilot Life

James M. Waddell, who has been for several years superintendent of agencies in eight southern states for the Jefferson Standard Life, has been appointed agency manager for the Pilot Life of Greensboro, N. C. Mr. Waddell started as an agent and after four years became a general agent. He spent several years in Memphis and then was engaged by the Jefferson Standard as superintendent of agents. In much of the territory he supervised increases in business have been obtained, despite abnormal conditions. He is a graduate of the University of Virginia.

Harrison with Ohio National

W. H. Harrison, who has been actuary of the Bankers Reserve Life of Omaha, has been made assistant actuary of the Ohio National Life, which takes over the former company and will move to Cincinnati. S. J. Blashill, secretary of the Ohio National, is in Omaha checking up on the details.

Names Gillette Vice-President

DETROIT, May 4.—M. E. O'Brien, president Jefferson National Life, has appointed Henry M. Gillette vice-president of the company. Mr. Gillette served

as general agent of the Detroit Life at Hubbell, Mich., from 1922 to 1930 and since then has been general agent of the Michigan Life at Laurium, Mich.

Robertson to Handle Group

A. S. Robertson has been appointed director of associated service for the Mutual Life of Canada, London Life, Canada Life and the Confederation Life. These companies are associated for the underwriting of group life insurance and group retirement annuities in certain types of cases. He succeeds N. W. Street.

Laidlaw with Beacon Life

The Beacon Life of Tulsa, Okla., announces the appointment of W. J. Laidlaw, former president of the Gulf States Life of Dallas, as director of sales.

Illinois Hearing Is Postponed

SPRINGFIELD, ILL., May 4.—The Illinois house insurance committee through Chairman Fitzgerald announces the postponement of the hearing on House Bill 776, the agents' license measure, until May 17. This will enable all interests to prepare suggestions to be presented the committee at that time. It is understood the Association of Life Insurance Presidents will oppose the bill and may offer a substitute measure.

LIFE AGENCY CHANGES

Manss Supervisor of Agents

Florida Agent Goes With Iredell General Agency of Penn Mutual in Cincinnati

John Manss, formerly a leading personal producer of the Penn Mutual in Florida, has returned to his old home in Cincinnati to become supervisor of agents in the general agency of C. J. Iredell of the Penn Mutual. Mr. Manss recently took the managers' training course at the home office of the Penn Mutual and graduated with the grade of A.

W. L. DeCamp, George Cooper

The Minnesota Mutual Life has appointed W. L. DeCamp general agent for Ventura, Santa Barbara and San Luis Obispo counties, Cal., with headquarters at Ventura. He was formerly with the Van Winkle agency of the Equitable Life of New York at Los Angeles, first as an agent and later as district manager at San Diego.

The Minnesota Mutual Life has also appointed George Cooper general agent at Ontario, Cal., in charge of Riverside and San Bernardino counties. He was formerly a leading producer for the company at Phoenix, Ariz.

Harry R. Bane

The Guarantee Mutual Life has opened a new southwestern Iowa agency covering 19 counties. Harry R. Bane, Omaha district manager for the past three years, is manager of the new agency, with offices in Council Bluffs.

J. C. Michie, Jr.

J. C. Michie, Jr., of Durham, N. C., has been appointed supervisor in charge of the North Carolina territory of the Bankers Life of Iowa. He has been a member of its sales organization for six years. J. L. Atkins, who has been agency manager in Durham for 12 years,

has resigned. He has made no announcement as to his future plans.

Henry G. Clark

Henry G. Clark, formerly supervisor of the Aetna Life general agency in San Francisco, has been appointed general agent of the Lincoln National Life for central California. His offices are in the Pacific Southwest building at Fresno.

Life Agency Notes

J. C. Arthur, formerly with the California-Western States Life, has been appointed general agent for the Central States Life in San Antonio.

Fred Skinner, who has been with the Great Republic Life as a personal producer, has been appointed general agent in San Antonio.

The Equitable Life of Iowa has named H. C. Beeson district manager at Saginaw, Mich. He succeeds his brother, W. B. Beeson, who died recently.

George C. Eichlitz & Co., San Antonio, Tex., has opened a life insurance department under the management of H. A. Nichols. It will represent the Old Line Life of America.

H. T. Wilson, for several years special agent of the Great Southern Life, has been appointed San Antonio general agent for the Ohio National Life with offices in the South Texas Bank & Trust Company building.

In announcing the transfer of Alfred J. Starnes from Boston to Baltimore as manager of the Connecticut General in last week's issue, the headline erroneously stated that he was transferred by the Connecticut Mutual.

G. A. Noel, formerly with the California-Western States Life, has been appointed general agent for the Acme Life of Austin, in San Antonio, and will be associated with W. A. Gamble, district manager, at 622 Milam building.

H. B. Franklin has been placed in charge of the Ashland, Ky., office of the Western & Southern; I. C. Young at Lansing; E. R. Horne in charge at Ann Arbor; J. Workman at Ironton, O., and Frank Kunzelman at Pomeroy, O.

LIFE COMPANY CONVENTIONS

Claypool Gives Main Speech

Continental Assurance Agents Hold Business and Sales Congress at Toledo, Ohio

The east central department of the Continental Assurance of Chicago held a sales conference in Toledo Friday and Saturday of last week. H. P. Aiken, superintendent of agents from the head office, was general chairman and spoke during the meeting. He was the presiding officer the last day. H. C. Blakeslee, Ohio supervisor, presided the first day. Mr. Aiken acted as master of ceremonies at the banquet. The toastmaster was F. H. Behan of the department of field service. The welcome address was given by General Agent F. W. Smith of Toledo.

Address by G. F. Claypool

First Vice-president G. F. Claypool was present at the convention and in his talk said that conditions are never static. How permanent the improvement is, no one knows at this time. He said that the public during the last three and a half years has demanded much of life insurance and it has met every test. Until the moratorium was declared by the various states, he said that life insurance was meeting satisfactorily the demands on it. It is still performing, he declared, every primary function and in addition is granting a vast majority of all requests for loans and surrenders.

He said that the thinking public appreciates that the conditions which led to the moratorium were not caused by either the life companies or the insurance commissioners. Mr. Claypool declared that more than 70 percent of all policyholders had no loans on their policies at all.

Will Benefit From Moratorium

In conclusion he said:

"It is my candid opinion that life insurance will actually benefit as a result of the moratorium. The publicity which life insurance has received as a result of it will induce the public to learn more about the fundamentals on which life insurance is based. Beneficiaries and policyholders know that there has been no delay in meeting death and disability claims, annuity payments and matured endowments. Monthly income checks, fixed and certain, arriving without delay throughout the entire depression period, have made a lasting impression on hundreds of thousands of grateful beneficiaries, annuitants and policyholders. The stock market and business conditions have in nowise affected these payments.

"Life insurance is sound. It will not repudiate or scale down its obligations. After the present moratorium on loans has been completely lifted, which we hope will be soon, I am of the opinion it probably will never be known if the action was actually necessary, but one thing is certain the public now knows that the insurance commissioners of the various states are actually functioning

We Nominate For the Hall of Fame



... The school teacher who continued her cheerful "Good morning, children," even though she went for days without breakfast. . . . The graduate who confidently entered a business world under supreme handicaps. . . . The family that calmly made the best of a reduced income. . . . The laborer who uncomplainingly took "part time pay" rather than see his comrades laid off. . . . The clerk who didn't let successive salary cuts upset his pleasant temperament. . . . The banker who protected his depositors before all other interests. . . . The manufacturer and merchant who kept his plant running and doors open, in spite of financial loss. . . . The policeman who shot it out with bandits at the risk of his life for a few paltry dollars. . . . The public official who didn't count the votes he lost when he slashed government expenditures.

... AND NOT LEAST AMONG THEM the thousands of insurance salesmen who did not lose faith in the soundness and necessity of their business, but maintained unflinching service to their policyholders and their prospects.

AMERICAN CENTRAL LIFE INSURANCE COMPANY INDIANAPOLIS, IND.



Midwest Opportunity for General Agencies

Does managing a general agency of your own interest you—the chance for greater earnings and a permanent career? Then get in touch with us. We have openings in a number of splendid Iowa, Minnesota and Nebraska territories. Personal home office help to back you up, and a fine line of modern policies. Write today, stating your experience.

Assets over \$4,151,000.00

Net Policy Reserves over \$3,751,000.00

The Old Line Cedar Rapids Life INSURANCE COMPANY

Cedar Rapids, Iowa

Colonel C. B. Robbins, President

C. B. Svoboda, Secy.—Jay G. Sigmund, Vice-Pres. & Agency Director



SECURITIES ON DEPOSIT

with Iowa
Insurance
Department

\$144,987,638.56

On December 31, 1932, this Company had Approved Securities in the amount of \$144,987,638.56 on deposit with the Iowa Insurance Department as required by law. This was a gain of

\$5,066,840.20

in the total of Securities on deposit as compared to December 31, 1931.

BANKERS LIFE COMPANY

Gerard S. Nollen, President

Established 1879

DES MOINES, IOWA

OHIO

Akron, Canton, Cincinnati,
Columbus, Dayton, Lima,
Toledo and Youngstown.

Established General Insurance
Firms in these cities may find
our new General Agent's plan of
interest. . . A letter will find out.

PHILADELPHIA LIFE INSURANCE COMPANY

111 North Broad Street
Philadelphia, Pa.

and using their best efforts to protect the interest of the public without discrimination."

To Hold 13 Sales Congresses

Connecticut Mutual Plans Series of
Regional Meetings Throughout
Nation in May

The Connecticut Mutual will hold 13 sectional sales congresses in May in various sections of the United States. Vincent B. Coffin, superintendent of agencies, will preside at each congress and will be assisted by H. M. Holderness, vice-president, or Fred O. Lyter, assistant superintendent of agencies.

At these congresses the program will be strictly one for field men and one or more of the members of every agency represented will be on the program. Helpful suggestions to equip the salesman to meet present day conditions will be given.

Meetings this week were: Spartanburg, S. C., May 2; Baltimore, May 3;

New York, May 5. Others are: Boston, May 10; Cambridge Springs, Pa., May 13; Toledo, O., May 15; Louisville, Ky., May 16; Chicago, May 18; St. Louis, May 20; Mason City, Ia., May 22; Wichita, Kan., May 24; Paso Robles, Cal., May 26; Longview, Wash., May 31.

Columbus Mutual Anniversary

Central Ohio agents of the Columbus Mutual Life celebrated the 25th anniversary of the company with a rally at the home office. President D. E. Ball gave a forceful address on the safety of life insurance. H. A. Chipman, general agent in Columbus for the Equitable of New York, T. S. Berridge of Gallipolis, O., G. J. Abdella of Lancaster, O., C. W. Ward of Cleveland, F. O. Quick and J. W. Weir of Cleveland, Col. Forrest Braden, assistant to the president, were on the program.

Dr. W. B. Carpenter, vice-president and medical director, who has been with the Columbus Mutual since its start, presented \$100 each to G. A. Ferguson of Columbus and Frank Dwyer of Toledo, who joined the company its first year.

AS SEEN FROM CHICAGO

COYNER AGENCY MEETING

An all-day sales congress was held May 1 by the C. L. Coyner agency of the Mutual of New York in Chicago. The morning chairman was E. U. Banker, Jr., district manager, and afternoon chairman, J. J. Killough, agency organizer. There were two talks in the morning, one on a new method of conducting meetings and the other on a life insurance man's moral obligation to his family, and two sales demonstrations on the endowment at age 60. After luncheon Col. A. V. Smith, former state's attorney of Lake county, Ill., spoke on "My Observations of Life Insurance at Work." One of the agents gave a blackboard illustration of ordinary life and then a questionnaire was conducted by District Manager P. R. Forman. Manager Coyner closed the meeting with a talk.

PATTERSON'S 25TH ANNIVERSARY

The 25th anniversary of A. E. Patterson in the insurance business is being recognized this week with festivities in his agency of the Penn Mutual in Chicago. A dinner for members of the agency was held Monday evening, Vice-President Frank H. Davis from the home office and Joseph M. Conover, assistant to the vice-president, being on hand.

Mr. Patterson started with the Ed-

ward A. Woods agency for the Equitable Life of New York in Pittsburgh 25 years ago. He was connected with the Equitable for 20 years in Pittsburgh, New York and Chicago. For the last five years he has been Chicago general agent for the Penn Mutual.

The Patterson agency has just taken new quarters at 120 South LaSalle street in the space formerly occupied by the National City Company. The new space has many new features for the convenience of policyholders and agents.

In March and April the agency staged a special drive for business to present to Mr. Patterson. Over 1,600 applications for more than \$3,600,000 were written and 1,052 cases for a total of \$2,038,300 paid for. Prizes were distributed to agents. Agency Cashier W. J. Nenner presented Mr. Patterson an inscribed silver carafe and goblets.

MOVE AFTER 35 YEARS

The Jesse E. Smith ordinary agency of the Prudential in Chicago now is located at 135 South La Salle street. This was the first ordinary office of the Prudential opened in the United States. It had been 35 years at the old location at 140 South Dearborn street. George Schilling was the first manager. Mr. Smith has been manager 33 years.

PACIFIC COAST AND MOUNTAIN

Opening Home Office Branch

Oregon Mutual Absorbs Portland General Agency—Williams Temporarily Placed in Charge

Establishment of a home office branch office and merging of the Portland general agency with the new organization are announced by W. C. Schuppel, executive vice-president Oregon Mutual Life. The branch temporarily will be in charge of J. S. Williams, assistant superintendent of agencies. Appointment of a branch manager will be announced at a later date.

The company will institute special plans for developing production and training men who desire to engage in organization work. The district, which includes the home office city and adjacent territory, is important, the company having over \$20,000,000 in force in the area.

W. J. Sheehy, who has been connected

with the company, both as agent and general agent for 19 years, will continue with the branch office, but in personal production. He has made a good production and retention record.

J. A. Brennan, who for 14 years has been doing investigation and claim work for accident and health and life companies in northern California, Nevada and southern Oregon, has moved into new offices at 142 Sansome street, San Francisco.

Harding's Election Assured

WASHINGTON, D. C., May 4.—John C. Harding of Chicago, western manager Springfield F. & M., is nominated as an insurance director of the United States Chamber of Commerce by the national councillors, whose meeting precedes the opening of the chamber's annual convention. The nomination is tantamount to election. L. J. Dougherty, president Guaranty Life of Davenport is nominated as director from his district thus assuring his reelection.

NEWS OF LIFE ASSOCIATIONS

Sales Congress at Davenport

Thompson, Schriver and Patterson Are
Headliners—Nearly 200 Attend
Sessions

DAVENPORT, IA., May 4.—Nearly 200 eastern Iowa and western Illinois life underwriters attended the one-day sales congress sponsored by the Davenport Association of Life Underwriters. The principal speaker was C. C. Thompson, Seattle, president of the National association, who was en route to Chicago to attend its mid-year meeting of the trustees and executive committee.

L. O. Schriver, general agent Aetna Life, Peoria, Ill., and a vice-president of the National association, spoke on "The Philosophy of a Pragmatist." A. E. Patterson, Chicago general agent Penn Mutual Life, and also a national vice-president, talked on "Selling Life Insurance." He said more money is being put back into Iowa than is taken out by insurance companies, following the policy of all well-managed companies of placing most of their business where the majority of their income originates.

He was followed by S. W. Sanford, Davenport, assistant manager Prudential, on "Prospecting." Other speakers were James Copeland, general agent, Northwestern Mutual Life, and Karl E. Madden, general agent, Penn Mutual.

Henry M. Meese, president of the Davenport association, presided.

Tennessee Sales Congress

Dr. Huebner, Commissioner Tobin and
Several Company Officials Speak
in Chattanooga

Dr. S. S. Huebner, Commissioner Tobin of Tennessee, and a number of company officials and leading agents are on the program of the sales congress at Chattanooga May 5. Dr. Huebner speaks in the morning on "Life Insurance and the Present Situation."

Other morning speakers and their subjects are: A. V. Mozingo, vice-president Volunteer State Life; Ted M. Simmons, manager U. S. agencies Pan-American Life, "The Profession of Life Insurance"; G. F. Ream, field service manager Mutual Benefit, "The Essentials of Success in Our Business Today." President E. E. Brown of the Tennessee Association is presiding.

Chattanooga life companies are to tender a luncheon. In the afternoon will be four minute talks by local association officers from several cities, the address by Mr. Tobin, another talk by Dr. Huebner on "Life Insurance as an Investment"; an address on "Self-Organization" by P. S. Moses, Mutual of New York, Savannah, Ga., and the business session and election.

New York City—Jerome Clark, vice-president Union Central Life, and R. B. Coolidge, assistant superintendent of agents, Aetna Life, will be the speakers May 9 at the annual ladies' night meeting of the New York City association. Mr. Clark will speak on "The Next Six Months in Life Insurance." Mr. Coolidge's subject will be "The Interview."

Columbus, O.—Approximately \$1,000,000 life insurance was sold in Columbus in Financial Independence Week. The Penn Mutual reported the largest volume, \$139,000. The agency thus won the life managers cup for the second time. The John Hancock agency was second and the New England Mutual Life third.

Kansas City, Mo.—President Pendleton and the new executive committee recently mailed questionnaires to most of the managers and general agents in Kansas City, asking them what they wanted discussed the next few months. The three outstanding problems in which all showed interest were: How

and where to find new men; the best methods of training new men under present conditions, and how to get old manpower back into production. Membership is now 190, against 141 a year ago.

* * *

Milwaukee—America needs life insurance to preserve American individualism and self-reliance, and half of the disease of the world today is due to a lack of life insurance, C. C. Thompson, Seattle, president National association, told the Milwaukee association.

"We have had a prosperity that did not last," Mr. Thompson said. "Now, through the medium of life insurance, we have an opportunity of creating a new and permanent prosperity in America. If we had 200 billions of life insurance in this country instead of 100 billions, the condition of the American people in the present economic situation would never have reached the low ebb that it did."

* * *

St. Louis, Mo.—In the contest to find the oldest policy in force and the oldest policyholder Secretary George G. Gardiner announced that the oldest policyholder was also holder of the oldest policy. Charles Stewart, who is 96 years old, has owned his policy 61 years.

* * *

Appleton, Wis.—A local association has been formed by about 35 life men, and will affiliate with the National association. G. R. Wettengel was elected president; C. C. Baker, vice-president; W. E. Smith, treasurer, and G. C. Nixon, secretary. The new association will meet May 18 to adopt a constitution and by-laws. A. A. Heald, A. C. Moser and K. W. Jacobs, Milwaukee, and H. W. Bruegger, Oshkosh, attended the first meeting and assisted in the organization.

* * *

San Francisco—The annual joint golf tournament of the San Francisco Life Underwriters Association and the General Agents & Managers Association of San Francisco will be held at Lake Merced Golf & Country Club May 8.

* * *

Detroit—Winners of prizes in the Financial Independence Week contest were announced at the last meeting. Paid annual memberships in the association, were awarded to the five underwriters who turned in the largest number of applications during the week. M. P. Carleton, general agent Life of Virginia, was first with 17 "apps."; R. P. Innes, Great West, reported 13; E. Christiansen, State Mutual Life, 12; F. C. Morrison, Equitable of New York, 11, and G. H. Shepard, Mutual Benefit, 10½.

H. E. VandeWalker, Michigan supervisor American Life and chairman of the by-laws committee, presented the proposed new by-laws for the association for discussion. The officers were authorized to proceed with incorporation. The new by-laws will be presented for adoption at the May meeting.

* * *

Baltimore—At the special conference to be held May 12, Hugh D. Hart, former life company executive and general agent, will discuss "Have the Life Insurance Companies Kept Faith?"; W. W. Klingman, vice-president Equitable Life of New York, will discuss, "Has Life Insurance Sales Opportunities in 1933?"; F. L. Wells, general agent Aetna Life; James A. Preston, general agent State Mutual Life, and Dr. C. A. Rubenstein, Northwestern Mutual Life, will answer the question: "How Can Life Insurance Salesmen Lead the Way?" Dr. S. S. Huebner, dean American College of Life Underwriters, will discuss "Is Life Insurance Still the Solution of Personal Economics?" "What Is the Outlook for Recovery in America?" will be answered by Dr. Claude Benner, vice-president Continental American Life, and G. J. Kutcher, New York City, general agent Northwestern Mutual, will talk on "How Do We Start to Get Going Again?"

* * *

Des Moines—Eleven insurance policies that have been in force a total of 543 years were discovered in a contest sponsored by the Des Moines association as a feature of insurance financial independence week observance.

* * *

Madison, Wis.—Evidence to support the return of confidence and belief that the nation is back on the up-swing economically was expressed by Roger B. Hull, New York, general counsel Na-

Complete Life Insurance Service which includes:

Policies for men, women and children from 1 day to 70 years.

Children's policies with Beneficiary Insurance.

Disability and Double Indemnity benefits.

Special clause providing Surgical and Dismemberment benefits may be included in policies.

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Special Monthly Sight Draft Premium Plan.

Sales Planning Department.

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Central States Life Insurance Company

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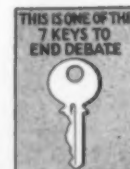
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Who?**



**Southland Life
Insurance Company**

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HOME OFFICE DALLAS, TEXAS

=====

A brief summary of results in 1932—

Assets rose to \$95,505,469, an increase of \$3,685,711.

General Surplus to policyholders increased to \$5,209,332, a gain of \$451,731. In addition, a special reserve for contingencies was increased \$350,000 to \$1,000,000 and a special real estate profit reserve of \$172,935 was set aside. Combined, these funds total \$6,382,267, an increase of \$974,666, or 18% over 1931's figures.

Total Income amounted to \$23,333,545, less than 1% below the record high figures of 1931.

Payments to policyholders and beneficiaries totaled \$15,297,014, of which 75% went to living policyholders.

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WHAT TO KNOW ABOUT LIFE INSURANCE—

By J. B. Dwyer.....Price \$1.50
A practical, clear statement by a field man or what the average salesman needs to know about the fundamentals. Order from The National Underwriter, 1944 Insurance Exchange, Chicago.

tional association at a luncheon meeting. Mr. Hull also added that he was not fearful of the dictatorial powers vested in the new president, declaring his "unlimited faith" in him.

Council Bluffs, Ia.—"Life insurance is the economic stabilizer of the nation," said Dr. L. M. Dorreen, Kansas City, at last week's meeting. "Now is the time for all people to get back to fundamentals. The men in the life insurance profession who are well trained are those who are going to reap a handsome harvest in the years ahead," he said.

Ames, Ia.—Fifteen attended a meeting for organization of a new association. The committee in charge includes H. F. Brown, D. D. LaGrange and H. M. Swarthout. B. H. Cottingham was chair-

man of the meeting. Talks were given by M. L. Seltzer, president Des Moines association, J. J. Hughes and J. A. Sparger, Des Moines.

Houston, Tex.—C. K. Darling, president of the Seaboard Life, was the chief speaker at the April meeting. An instructive sales demonstration was given by Mr. Darling and Mr. Underwood, sales manager for the Seaboard Life.

Cleveland—Reports show \$7,942,448 in insurance was written in Cleveland during financial independence week. Of the total, \$6,227,643 was ordinary, \$472,000, group and \$1,242,805, industrial.

Cedar Rapids, Ia.—C. C. Thompson, president National association, spoke at a dinner last week.

MANAGERS' ASSOCIATION NEWS

Smith Elected Detroit Head

Managers Group Names Travelers Man President—VandeWalker Is Vice-President, Cummings, Secretary

DETROIT, May 4.—Richard T. Smith, Detroit manager Travelers, has been elected president of the Associated Life General Agents & Managers of Detroit, succeeding M. L. Woodward, general agent Northwestern Mutual. H. E. VandeWalker, Michigan supervisor American Life, was elected first

vice-president, succeeding L. W. Spicard, manager Bankers of Iowa.

T. H. Cummings, manager Northwestern National, who was appointed secretary-treasurer to fill a vacancy in the midst of the last term, was reelected for the ensuing year.

The new directors include C. A. Macaulay, John Hancock; Donald Machum, Manufacturers Life; H. K. Schoch, Aetna; F. L. Klingbeil, Prudential; R. M. Ryan, Equitable of New York; J. P. Peterson, Berkshire; W. S. Reeve, Union Central, and the present and retiring officers.

AS SEEN FROM NEW YORK

By R. B. MITCHELL

IMPORTANT NEW YORK CASE

The advisability of having income payments under trust agreements or optional settlements contain the expressed provision that no payments shall be subject to attachment for debts of the beneficiary was well shown in a case decided in New York City. A judgment-creditor had attempted to obtain judgment against payments being made by the Connecticut General Life to Mrs. Dorothy Cromelin, the beneficiary, on account of debts she had contracted in operating a small shop. On account of the expressed provision in the trust agreement, the court decided that under both New York and Connecticut laws no creditor of the beneficiary could obtain an execution against any part of the monthly payments. The New York City Life Underwriters Association was active in the case through its attorney, D. B. Maduro, who volunteered his services in handling the case and preparing briefs. Because of the importance of this provision in protecting beneficiaries against such judgments, Mr. Maduro has suggested that life agents review each client's policies to make sure this exemption is utilized.

J. S. MYRICK'S RECORD

The J. S. Myrick office of the Mutual Life of New York in New York City paid for \$1,778,143 in April as compared with \$2,252,727 for April, 1932. For the year to date total paid-for business is \$7,636,957 as compared with \$10,335,027.

LUTHER-KEFFER FIGURES

The Luther-Keffer Agency of the Aetna Life in New York City paid for \$2,931,745 in April. Total business for the year to date is \$11,657,901.

MANAGERS CONFERENCE

The New York City Life Managers Association will hold a management conference this week similar to one which took place last December. Topics to be discussed are, "Recruiting New Men," K. A. Luther, Luther-Keffer agency, Aetna Life and R. G. Engelsman, general agent Penn Mutual Life;

"Training New Men," W. H. Beers, New England Mutual Life; "Reviving Old Agents," C. E. DeLong, Mutual Benefit Life; "Fundamentals," C. L. McMillen, Northwestern Mutual Life.

J. ELLIOTT HALL'S RECORD

The J. Elliott Hall agency of the Penn Mutual in New York City paid for \$1,137,000 in April as against \$1,635,000 last year. Total for the first four months was \$6,276,000 as against \$7,618,000 a year ago.

PERSONALS

Alfred Hurrell, vice-president and general counsel of the Prudential, has been elected a director of the Newark, N. J., chamber of commerce.

C. C. Nash, Jr., head of the advertising and literary department of the Home Life of New York, visited his old home in Evanston, Ill., this week. His parents still reside there. Mr. Nash is a graduate of Northwestern University and during his college career was a page in the Evanston Public Library. He gained his insight into insurance during his association with THE NATIONAL UNDERWRITER, both in its Chicago and New York offices. Mr. Nash developed into an understanding writer on life insurance and made a name for himself as a most intelligent reporter of life insurance news and trends. His work with the Home Life has elicited wide attention.

The field men of the Register Life of Davenport, are honoring President G. E. Decker with their production this month in honor of his birth date. This custom has been followed for a number of years, this being Dr. Decker's 26th anniversary as a member of the Register Life organization.

George C. Eichlitz & Co., San Antonio, Tex., has opened a life insurance department under the management of H. A. Nichols. It will represent the Old Line Life of America.

Plan of Hospital Cover Explained

(CONTINUED FROM PAGE 5)

sician. The subscriber's freedom to choose his physician or hospital would remain unchanged. The practice in each institution with regard to open staff and closed staff privileges is not changed. The existing medical staff relations and hospital rules are not affected by group hospitalization.

The hospital association believes that group hospitalization plans should be organized and introduced on a nonprofit basis by some existing hospital or welfare association or by one especially formed for the purpose. No individual or group should be allowed to enjoy any profit or financial gain from a group hospitalization plan, other than a reasonable and proper return for necessary service.

After reasonable remuneration has been made to participating hospitals, financial benefits from operation of the plan should accrue to the subscribers. The benefits may be shared either through reduction of subscriptions or increase in hospital benefits.

Acquisition Expense

The plan should encourage participation by all hospitals of standing in the community. The ultimate responsibility is assumed by the participating hospitals which agree to render service to subscribers in exchange for the subscriptions collected. Publicity should be limited to the plan itself rather than to participating hospitals. Field representatives may be engaged to introduce a plan either as volunteer or salaried workers or for specified reasonable remuneration for their services. The promotion of the plan should not be placed in the hands of a separate agency which assumes the role of contractor for the hospital care. Representatives of the plan should not be allowed to influence the amount or quality of hospital service received by subscribers.

Among the opinions expressed at the informal conference with Mr. Rorem was that the action of hospitals in providing, through their nonprofit associations, hospital care to groups of subscribers, in exchange for fixed periodic payments, does not appear to conflict with the present or prospective fields of activity of private companies writing casualty, health or accident policies.

Group hospitalization is a field in which the hospitals themselves are particularly qualified to participate because of the local nature of the problems of enrolling subscribers and serving them. Where the hospitals assume the direct responsibility for service to subscribers, the agreements take the nature of service contracts rather than insurance.

Group hospitalization should, in the public interest, be regulated by appropriate governing bodies, although the regulation should not necessarily be the same as that now applied to insurance companies.

It is important that group hospital agreements be distinguished from rather than identified with insurance, from the legal point of view.

Insurance companies, especially those selling group, have personnel, experience and facilities which might be utilized in the promotion and administration of group hospitalization.

Insurance companies have a vital interest in keeping the promotion of group hospital care agreements on a high ethical plane, which will not prejudice the public against the principle of insurance or against existing reputable institutions.

Some of the insurance men expressed the belief that the report of the committee on the cost of medical care leaned towards compulsory health insurance, although the majority report did not endorse that idea. If group hospitalization should lead to a demand for compulsory health insurance, Mr. Rorem was told that the insurance companies would be vitally interested.

Missouri Commissioner and Governor Row on Moratorium

(CONTINUED FROM PAGE 5)

head of the insurance department. Under a recently enacted law he is given authority to remove any appointive state official whenever he so desires. While Mr. Thompson's term does not expire until June 30 it is certain that R. E. O'Malley of Kansas City will be appointed before that time.

Commenting on the break with Mr. Thompson, Governor Park said:

"The insurance moratorium was made by Superintendent Thompson without my knowledge, consent or approval. I suggested to Mr. Thompson that the moratorium be modified so as to give the same protection to policyholders as to the insurance companies. I stated my views clearly in a special message to the legislature approving a moratorium on insurance if equal protection was granted to policyholders. It is regrettable that the moratorium was delayed until immediately after adjournment of the legislature."

No Utah Regulations

Commissioner E. A. Smith, Jr., of Utah has made a ruling that moratoria on loans and surrender values will not be recognized in that state.

"Because of the fact that a ruling has been demanded of this department," he stated, "we have no other course open to us but to inform you that this department takes the position that an insurance commissioner of another state cannot by special ruling affect or impair the obligation of a contract of insurance sold and held within the state of Utah."

Commissioner Armstrong of Pennsylvania has issued "consolidated" rules and regulations which follow the Chicago model and, in addition, permit loans and surrender values for educational and agricultural purposes and for payroll. The law is effective for one year.

Commissioner Hobbs has amended the Kansas regulations to permit payment to meet rents as well as taxes, interest and principal on mortgages.

Changes in the rules and regulations governing the payment of cash to policyholders in California have been amended by Commissioner Mitchell to conform to the Chicago type.

In Connecticut the regulations have been amended by insertion of provision allowing cash surrenders as well as policy loans under stated restrictions.

Commissioner Spencer of Maine has interpreted his previous ruling on additional grace periods, stating that it was "meant to give every policyholder whose policy grace period will expire between April 14 and May 14 an extension of 31 days in addition to the original grace period stipulated in the policy, as other policyholders have had during the previous month."

Governor Comstock has signed the Orr-Karwick emergency act in Michigan. Regulations were previously issued by Commissioner Gauss.

Summary of Action

The following states have passed emergency laws giving authority to the governor or insurance department to regulate life insurance in times of emergency: Alabama (domestic only), Arkansas (domestic only), California, Connecticut, Delaware, Indiana, Iowa, Kansas, Maine, Maryland, Massachusetts, Michigan, Minnesota, Nebraska, New Hampshire, New Jersey, New York, North Carolina (expired May 1), Ohio, Pennsylvania, Tennessee, Texas, Vermont and Wisconsin. The Missouri regulation bill was defeated.

Emergency laws are pending in Colorado, District of Columbia, Illinois and West Virginia.

Regulations have been issued in Arkansas (domestic individual), California, Connecticut, Delaware, Illinois, Indiana, Iowa, Kansas, Maine, Maryland, Massachusetts, Michigan, Minnesota, Missouri, Montana, Nebraska, New Hampshire, New Jersey, New York,

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Columbus Mutual Life
Columbus, Ohio

North Dakota, Ohio, Pennsylvania, Tennessee, Texas, Vermont, West Virginia and Wisconsin.

Regulatory orders were issued in Alabama and Florida and later withdrawn. Commissioner Sullivan of New Hampshire has given notice that he will modify the restrictions on payments of policy loans and cash surrender values along the line suggested by the National Convention of Insurance Commissioners.

National Leaders Discuss Stability

(CONTINUED FROM PAGE 5)

have grown in strength and character and will continue to do so, he finds. He believes they will come out of the present emergency better fortified and prove themselves one of the basic factors leading to recovery.

Back of life insurance in the United States and Canada are some \$22,000,000,000 of reserves invested in the underlying securities of the country, only a small percentage being in default of principal or interest. Another strength of life insurance is the wide diversification of its insureds and investments. Profits from loading, mortality and interest for 118 companies in 1932 were \$1,006,250,814; made up of mortality, \$320,630,000; loading, \$461,142,000, and interest, \$225,478,000, he said. During the last four years the companies have established a record of \$14,703,680,004 in death claims, dividends, annuities, disability and double indemnity payments, endowments and cash values, loans to policyholders and increase in other assets. Back of these figures is a wise and honest management which is responsible for tremendous contributions to public welfare.

Emphasizes Other "Assets"

These are tangible assets, but Mr. Myrick finds nine intangible assets, the living policyholders and living beneficiaries, agents in the field, managers and general agents, executive officers and home office employees, laws protecting the institution and officials who enforce them, local, state and national associations of life underwriters, the Association of Life Insurance Presidents, the American Life Convention and all organizations working cooperatively for the good of the business.

Mr. Fischer said that perhaps for the first time in many years the question has been raised in the minds of many agents how to meet the situation thrust upon them by the depression and policy moratorium. In many cases agents are setting up a mental hazard. There has been scarcely any criticism of the institution and it will stand as long as the nation, he finds. Agents should not worry merely because life insurance has had to meet a test, for one never can tell who is champion except with a test. He said life insurance is the heart of the nation. The restriction was placed on life insurance by the "doctor" and the institution is stronger than ever.

Encourages Frank Answers

Mr. Cummings believes that any one is entitled to a frank and straightforward answer in regard to the stability of life insurance and agents should answer intelligent questions of policyholders and prospects in an intelligent manner. He does not believe in pussy-footing.

He pointed out many safeguards, the income of life companies being steady and their funds being held as trust funds surrounded by all manner of safeguards, protected by diversification of investments and the law of averages, by spread of risks and spread of maturities, so the companies can purchase investments at advantageous times and not have to sacrifice to meet obligations.

Accuracy in assumption of the various underlying principles is another factor in the stability. He said only .6

of 1 percent of life company assets go into equity holdings and most of these are preferred stocks. Life companies generally have avoided foreign investments. The income of life companies usually has exceeded disbursements.

Mr. Hull presented his address "The Present Situation in Life Insurance," excerpts of which have been printed in THE NATIONAL UNDERWRITER.

A feature of the association meeting was the presentation by R. L. Davis, director, of diplomas to 28 men and women who were graduated in the Life Trust Institute. P. B. Hobbs, chairman membership committee, announced a membership drive which was started April 29 to put the Chicago association over the 1,000 mark. President J. R. Hastie presided.

Need Sound Banks and Money System

(CONTINUED FROM PAGE 3)

conditions should be denied access to a reasonable part of this reserve.

There has been some comment to the effect that the public, temporarily denied access to cash values, might turn in large numbers toward the so-called "pure protection" contract with little or no reserve value. He said that experience has demonstrated the remarkable service of the life and endowment forms in meeting the varied protection needs of the family.

Term insurance, although it fills a certain need in special cases, Mr. Linton believes causes public dissatisfaction when the policyholder after paying premiums for a long period analyzes the situation and finds that for comparatively little more he could have saved a large fund. Term insurance does not build satisfied clients nor make for permanence. In turning aside from term and arranging the policy to cover the whole of life at a level premium or decreasing cost over the years, it becomes necessary to build up a reserve, which, Mr. Linton said, is an inherent part of the level premium plan.

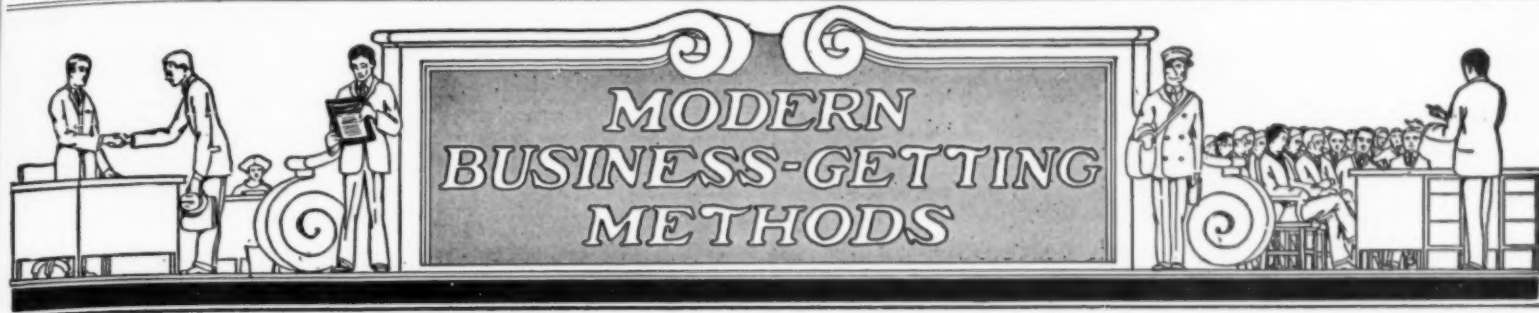
Reserves Have National Value

These life insurance reserves Mr. Linton considers a national asset of incalculable value, performing a great service to the nation. The life companies have upwards of \$15,500,000,000 invested in bonds, mortgages, stocks and real estate, the first two classifications amounting to approximately \$14,200,000,000 of the total. The life companies provide a large reservoir of funds available for investment on a conservative long term basis which from the long range point of view, Mr. Linton says, is important to the economic well being of the country.

There is need for an institution like life insurance which in its investment policy seeks basic security and steadfastly avoids speculation. The underlying investments of life companies comparatively speaking are well sheltered from economic storm. This does not mean that life insurance funds will not experience some loss as a result of the economic disturbance, but any losses encountered will be relatively small in view of the magnitude of the funds involved.

An important question of the future which must be answered by actuarial analysis is the relation of current income to probable demand for cash and loan values if certain future rates of new business and terminations are experienced.

He said such studies as are available lead to the conclusion that plans can be laid for meeting cash and loan value demands without affecting the basic principle that a large proportion of life insurance funds can safely and for the great benefit of all concerned be invested as heretofore on a conservative basis in underlying corporation bonds and in carefully chosen real estate mortgage loans.



Millionaire Policyholder Gives Views on Worth of Protection

Much has been said recently of public disgruntlement about policy restrictions, of a probable trend toward "pure protection" forms because cash values for a short period were tied up. Wise life insurance leaders have seen this as the hysteria of only a tiny fraction of the 65,000,000 policyholders in this country. Below is presented in part a talk made by Hugo F. Arnold, president of Arnold Brothers, Chicago meat packers, before agents of the Samuel Heifetz agency of the Mutual Life of New York in Chicago. Mr. Arnold owns more than \$1,000,000 in life insurance. His views about life insurance and present conditions affecting it, therefore, carry weight.

The greatest thing I did in my whole life was the taking out of life insurance. Why? Because it made me save; gave me protection for my family and my friends, and especially in these times it has been a great source of comfort.

It also has turned out to be one of the best assets I have. It gave me a rating that I would not have gotten without it. It gave me peace of mind. It made me a much more effective business man. I know that temporarily I cannot borrow much money on my insurance because of the moratorium, but that is only a temporary condition.

Considers Life Insurance Greatest Business on Earth

You are engaged in the greatest business on the face of God's green earth. You are furnishing protection to both the insured and his beneficiary; you are giving the insured peace of mind; you are establishing an asset which never depreciates and which can ultimately be used as a retirement income during old age. You are giving beneficiaries protection which otherwise cannot be established.

Why did I take out life insurance? In the first place I was compelled to save through it, and that is one of the big assets of life insurance. The next big thing is protection. Do you think I was easy to sell? Not by a darn sight! I really astonish myself sometimes how contrary I can be, and, when it is all over, how ashamed I am of myself.

Separate Savings Method Is Difficult to Follow

When life insurance was first offered to me by a man who afterwards turned out to be one of my dearest friends, I thought I knew more about how to save money than he did, and that I did not need very much protection. Those are the two cardinal points which it is surprising to me so few people know about. A man has an idea that if he makes up his mind to start a savings account and says to himself, "I am going to put so much into that account every week," that he will do so; but I hardly believe there is one man who ever kept his word when it came to doing that. There has to be something to make you do a certain thing consistently—and life insurance makes you save.

The first policy I bought was for \$5,000, and the agent who sold me that

policy has passed on—God bless his memory. He did a great thing for me when he sold me that first life insurance policy. But the man who did the real big thing for me was Samuel Heifetz. Before he came to see me I had my mind fully made up that I wasn't going to buy any more life insurance, but he in a tactful way analyzed my situation and convinced me that I should buy more.

Average Business Man Struggling for Family

Men engaged in business as a rule are not struggling for money, for money's sake alone, but rather are devoting themselves to their task because back in the secret places of their minds they are planning ways for spending their earnings to bring joy, peace and comfort to their loved ones.

Home life is the other great division. It is, in fact, both the center and circumference of our hopes and desires. There is the romance of existence, the love and companionship, plus the partnership of the wife with her husband; there within the home, in our older sons and daughters we see the unfolding of our hopes and ambitions; in the younger children we see the budding of intelligence; and in our infants we find the source of that tender influence from the touch of a baby's hand. Sorry indeed is the home that finds itself isolated, uncared for or properly maintained, because the head of that household is without a prosperous and protected business.

Sees Life Insurance As Link Between Two Spheres

And so with us the two links in the chain of life: On the one hand is business, on the other hand the home, and between the two should be essentially linked—insurance—the protection of the home and the security of business.

If this concept of the importance of insurance in relation to business and the home become the corner stone of the activities of the insurance agent; if with a high purpose in mind he undertakes his salesmanship with a true desire to unfold to his prospect the relation of insurance to a man's business and his home, I am sure that such an agent will far better reap the reward of his efforts than the one who may be out determined to sell his policies through the threat of death.

Business insurance insures stability of business, guards the relationship between partners or creates a bulwark to the treasury of the corporation. In business, insurance can be so planned as to create a genuine indestructible, nonspeculative estate.

Insurance as it relates to the home finds an equal opportunity for the building of reservations to become available not only in the event of death, but with equal importance as the years go by. In these days of stress, hundreds upon thousands have learned the value of their policies as immediate sources of supply. They have had a fine opportunity to compare the security of money invested

in insurance with equal sums of money invested in any other form of security you could name.

It is my opinion that the time is at hand and that the opportunity is available for every insurance agent who represents a responsible company to reap the greatest reward and build for himself and his company a bigger and sounder business than at any time in the history of this country. It is my firm belief that insurance sales will expand in greater proportion during the next few years, and that insurance as a business will revive much faster and get much farther than any other industry in the United States.

If you will work, think clearly and honestly today, tomorrow will be much easier, and you will never have to worry about tomorrow. A man in order to get anywhere has to work hard, and he had to be willing to work hard physically and mentally—no hour too early to start, no hour too late to quit. Hours should mean absolutely nothing to him. There isn't a thing that he works at that shouldn't have this thought, "How can I do it better? How can I do it easier?"

Being, at least in my opinion, an average thinking man, I believe that I can with authority give the insurance agent a few tips and pointers concerning the reaction of a prospect to the agent.

Some Reactions to Agent's Approach and Argument

First and foremost of importance is the reputation of your company. Next is the personality and the approach of the agent. Men today have much upon their minds of great importance and as a rule become bored when an agent attempts to influence the prospect by quoting a mass of figures.

I remember distinctly one insurance agent who succeeded in selling me a policy because from the very beginning I felt that this man not only knew, but knew how to discuss, the provisions of his policy. This agent had studied my case instead of asking me to study their financial statement. He had equipped himself with full knowledge of the financial statement of my company. He in short order convinced me that there was need for business fortification. The important thing in this agent's visit was, I repeat, the knowledge that he had of our business. He was not a mere solicitor. He was rather a student of our affairs, who arrived at a sound conclusion and brought a solution for such conclusions.

Every business man knows that he does better work and produces better results for his business when his mind is at ease, when he is freed from worries concerning the future, is left free to apply himself to his daily tasks. Sound insurance intelligently sold brings to the business man one of the greatest elements that contribute to such peace of mind. All of these arguments can likewise be applied to the business operation of one's home.

I have no use for an insurance agent who tries to appeal to my sentiment as such, and who tries to bring tears to my eyes, or attempts to clutch my heart by picturing the distress of one's wife or children in the event of death. The running of a home is the keystone business of civilization. Any business man can be shown and convinced that insurance is as important, and in fact many times more important to one's family in the operation of the business of home main-

Coin Bank Approach Is Proving Very Effective

A great many agents are finding that the difficulties of selling business under present conditions are most effectively met by use of the coin bank as a means of approach. One Chicago agent, who paid for more than \$1,300,000 last year, the large part of it in cases averaging around \$5,000, built up his business by the coin bank approach alone.

These banks come in various forms, but the most effective appear to be either the one of long rectangular shape, bearing a slide and worked out for ages up to 41, showing the benefits which can be purchased for 10 cents a day, and the other type of calendar bank requiring a coin a day to keep up to date.

The Hobart & Oates general agency of the Northwestern Mutual in Chicago has worked out an effective approach using the bank and a number of the agents have been having success with it. In this approach the agent, whose way has been paved by a novel direct mail letter to which a dime is pasted, asks the prospect if he knows exactly how much change he has in his pocket. No instance has been found in which the prospect has guessed the exact sum.

The agent then points out by means of this illustration the comparative insignificance of a dime and goes ahead with a prepared canvass. In practice it is found the prospect rarely is satisfied with the \$1,000 or so of life insurance or the few dollars of monthly income which 10 cents a day will purchase and is sold from \$3,000 to \$5,000 of insurance.

Northwestern Mutual agents who have had especial success with coin banks are H. W. Shedd, who sold 15 lives by this means in April, Fred Falkner, nine lives; C. N. Kerr, nine lives, and N. R. Root and L. W. Uebele, each five lives in April.

tenance, as insurance is for the protection of commercial activity.

Most business men dislike trying to be sold to, while on the other hand most of us will gladly buy whatever it may be that we are convinced we have need of, or that which will contribute to our happiness, our comfort, and our peace of mind, or will in an easy way build an estate and a defense against conditions over which we have no ultimate control.

Agent Gets Application, Then Awaits the Stork

When an agent sells a child's policy on the life of an infant before it is born, that's news. It can be done, too, as C. B. Cooper of the Dallas branch of the Missouri State Life organization demonstrated. Mr. Cooper went out to find the stork, but the stork did not arrive on time. Nevertheless, he returned to his headquarters with a signed application. But the tension was too much for him, so back to the hospital he went to await the baby's arrival. A few minutes after it had been born, Mr. Cooper viewed it through the glass partition which keeps visitors at a safe distance, and completed the application. The mother and father of the baby are also insured in the Missouri State Life, written by Mr. Cooper.

Plan for Revising Setup Is Amended

(CONTINUED FROM PAGE 3)

had demanded that the executive committee denounce the moratorium and urge its immediate lifting.

There was much interest in the appointment of the advisory nominating committee by President C. C. Thompson. Because of what happened at the San Francisco convention last year, when the recommendations of the ad-

visory committee were rejected, politics at this year's convention will be exciting. Before appointing the advisory committee, Mr. Thompson brought up the question of whether this group should not merely recommend a list of persons available and qualified for office, rather than to nominate men for the specific places. He instructed the committee that it could take either course.

Chester O. Fischer, Massachusetts Mutual, St. Louis, is chairman of the nominating committee. The other members are A. O. Eliason, Minnesota Mutual, St. Paul; Victor Beamer, Equitable Life of New York, Jacksonville, Fla.; Ernest Owen, Sun Life, Detroit, and Clancy Connell, Provident Mutual, New York City.

After the committee was appointed, there was much joshing, expressions of sympathy being conveyed to members.

Report on Program

For the first time in the history of the association, a definite idea of the program for the annual meeting was presented. L. C. Schriver, Peoria, Ill., Aetna Life, reported as chairman of the program committee. Although he was in a position to give the names of most of the speakers who have been signed up, R. B. Hull, managing director, asked that announcement be withheld at this time. Speakers were selected, who have made a record during the depression years.

Reports on the progress in arrangements for the annual convention in Chicago Sept. 25-29 were presented by T. F. Lawrence, Reliance Life, chairman of the Chicago committee; A. E. Patterson, Penn Mutual, chairman of the general agents and managers' section, and Walt Tower, manager of the Chicago association.

Managers' Program

An all-day meeting of the committee in charge of the general agents and managers' program in connection with the National association convention was held the day before the meeting of the trustees. Fourteen were present. The general outline of the program, which will be conducted Sept. 26, was decided upon and a working subcommittee was created, Holgar Johnson, Penn Mutual, Pittsburgh, being chairman; J. M. Holcombe, Jr., manager Sales Research Bureau, and William Boyce, Equitable Life of New York, Syracuse, being the other members. Mr. Holcombe attended some of the Chicago sessions.

Much attention was devoted to membership results. Reports were made by T. M. Riehle, Equitable Life of New York in New York City, chairman of the eastern membership division, and by C. Vivian Anderson, Provident Mutual, Cincinnati, chairman of the central committee. President Thompson reported in behalf of Arthur Holman, Travelers, San Francisco, chairman of the western division. Although membership is below that of a year ago, attention is being given to weak points and hope was expressed that losses would be kept down or an increase possibly might be recorded.

A delegation of half a dozen was present from Milwaukee to renew the invitation of that city for the 1934 convention of the National association. Abner Heald, Provident Mutual, and Kenneth Jacobs, Connecticut Mutual, made presentations, which were heartily received.

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Ernest R. Gray, Prudential, Des Moines, asked that consideration be given his city for the convention in one of the next three years.

The finance committee was authorized to deal with the problem of local associations, whose dues are in closed banks. The sentiment of the meeting was in favor of showing leniency under these circumstances.

Mr. Cummings suggested the appointment of a special committee on the extension of local associations. He recommended making a survey to see where associations of 10 or more members could be permanently maintained. His idea was that a neighboring association could act as a sponsor for a new association. Cooperation of state associations should be obtained. He expressed the belief that membership could be doubled in two years if this course were taken.

Report of Treasurer

The report of Treasurer Robert L. Jones, State Mutual, New York, shows that the association has \$51,581 on hand, of which \$34,768 is deposited in five savings banks. The association negotiated a note for \$5,000 recently to carry the organization over until the new dues began to come in.

Total disbursements for the nine months ending March 31 were \$77,275 against the budget expectancy of \$79,633.

Mr. Thompson expressed the belief that should the reorganization of the constitution and by-laws be defeated at the Chicago convention, proposal should be made at least to reduce the number of officers and increase the number of trustees.

M. L. Seltzer, Aetna Life in Des Moines, reported for the educational committee. He emphasized the desirability of having a textbook on life insurance introduced in the elementary and high schools. He said that Ralph G. Engelsman, Penn Mutual, New York, expects to get such a text into the New York schools.

Speakers' Bureau

Mr. Seltzer advocated setting up a speakers' bureau in the National association, all sales congress speakers for the last three years to be listed, arranged in geographical order, presented with certificates and engagements sought for them on the programs of civic organizations.

Nation-wide play writing and essay contests were advocated and the introduction of an educational section in "Association News."

Attention was given to the tendency of state legislatures, in casting about for sources of revenue, to light on insurance.

Elbert Storer, Bankers Life of Iowa, Indianapolis, presided as chairman.

Plan for Program

Those who attended the meeting of the general agents and managers' committee were Julian S. Myrick, Mutual Life of New York, New York City; W. L. Boyce, Equitable Life of New York, Syracuse; Holgar Johnson, Penn Mutual, Pittsburgh; J. S. Drewry, Mutual Benefit, Cincinnati; C. O. Fischer, Massachusetts Mutual, St. Louis; Frank Klingbiel, Prudential, Detroit; R. J. Wiese, State Mutual, Chicago; Franklin Mann, Northwestern Mutual, Omaha; W. L. Brooks, Jefferson Standard, Charlotte, N. C.; O. Sam Cummings, Kansas City Life, Dallas; A. E. Patterson, Penn Mutual, Chicago, and J. M. Holcombe, Jr., manager Sales Research Bureau.

Those who attended the meeting of the organization structure committee were O. Sam Cummings, chairman; Mr. Myrick, C. Vivian Anderson, Mr. Fischer and George E. Lackey, Massachusetts Mutual, Detroit.

A group of San Antonio, Tex., underwriters who plan to take the coming C. L. U. examinations have formed a special study group which will meet each night of the week, except Saturdays, during May.



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